

Shivashrit Foods Ltd

Shivashrit Foods Limited, incorporated in 2017 and headquartered in Aligarh, Uttar Pradesh, is engaged in manufacturing, supplying, and exporting premium-grade potato flakes. The company operates a fully automated facility equipped with advanced Dutch machinery, ensuring quality and scalability. Shivashrit caters to leading food processors, snack manufacturers, HoReCa, and retail consumers through its brands *Shivashrit*, *Shree Aahar*, and *Flaker's*. With strong domestic presence across multiple states and exports to more than 15 countries, the company has built long-standing customer relationships. It is also expanding its production capacity to ~24,600 MTPA, supported by government incentives, to capture growing demand in the global and domestic markets.

Investment Rationale

Strong Industry Tailwinds India's food processing sector is witnessing rapid growth, driven by rising urbanization, higher disposable incomes, and increasing demand for convenience foods. Potato flakes, a versatile raw material for snacks, bakery, soups, and QSRs, are gaining traction. With limited large-scale organized players, Shivashrit Foods is well-positioned to capture market share in a sector projected to grow at ~6.9% CAGR, offering a structural long-term growth opportunity for investors

Diversified Business Model (B2B & B2C) The company operates under a dual-channel model. Its B2B arm supplies bulk potato flakes to food processors, HoReCa, and snack manufacturers, ensuring stable institutional demand. In December 2024, it ventured into the B2C retail market under the Shree Aahar brand, targeting urban households with ready-to-cook potato products. This diversification enhances revenue streams, reduces concentration risk, and strengthens brand visibility in both industrial and consumer segments.

Established Export Presence Shivashrit Foods has expanded its footprint internationally, exporting to 15+ countries including the USA, South America, Middle East, and Southeast Asia. Export revenue contributed over 22% in FY25, reflecting strong acceptance of its products in global markets. With supply disruptions from Eastern Europe, Indian players are gaining prominence, providing Shivashrit an opportunity to scale exports further, diversify geographical risks, and generate higher margins in overseas markets.

Strong Capacity Expansion Plans The company began operations with 4,320 MTPA capacity in 2018, which has now expanded to 8,640 MTPA in FY25. Plans are underway to raise capacity to ~24,600 MTPA, supported by government incentives and subsidies. This threefold expansion aligns with rising demand from domestic and export markets, enabling Shivashrit to scale operations efficiently and leverage economies of scale, potentially leading to stronger revenue visibility and profitability in the coming years.

Issue Details

The issue is a combination of fresh issue of 43.16 lakh shares aggregating to ₹61.28 crores and offer for sale of 6.16 lakh shares aggregating to ₹8.75 crores.

Issue Summary

Issue Size	₹ 70.03 Cr
Face Value	₹ 10
Price band (per equity share)	₹135 – ₹142
Market Lot	1000 equity shares
Minimum Investment	₹27,000
No. of Shares pre-issue	1,39,53,000
No. of Shares post-issue	1,82,69,000
Listing	NSE SME (NSE Emerge)

Indicative Timetable

Issue Opens on	August 22, 2025
Issue Closes on	August 26, 2025
Listing Commences on	September 1, 2025

Issue Breakup

	Up to No. of Equity Shares	(₹ in Crore)
Market Makers	2,48,000	3.52
NII (not less than)	7,05,000	10.01
Retail (not less than)	16,40,000	23.29
Qib	23,39,000	33.21
Total	49,32,000	70.03

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	100.00%	73%
Public & Others	0.00%	27%

Book Running Lead Managers

Mark Corporate Advisors Pvt. Ltd.

Registrar

Maashitla Securities Pvt. Ltd.

Objects of the Issue

Capital Expenditure: ₹26.3 Cr
Working Capital Requirement: ₹19.0 Cr
General Corporate Purpose: [*]
Total Gross Proceeds: ₹70.03 Cr

Experienced Promoter Group Shivashrit Foods is backed by promoters with two decades of experience in the food storage and processing industry. Their expertise in managing supply chains, procurement, and cold storage operations provides the company with a strategic advantage in sourcing raw materials. The promoters' established industry networks and operational know-how ensure consistent quality, timely execution, and a forward-looking vision to scale both B2B and retail segments effectively.

Strong Financial Performance The company has delivered robust financial growth over the last three years. Revenues grew from ₹4,535 lakh in FY23 to ₹10,469 lakh in FY25, a CAGR of over 50%. PAT also improved from ₹152 lakh in FY23 to ₹1,206 lakh in FY25. EBITDA margins stood healthy at 22%, while PAT margins improved to 11.5%. Strong return ratios, with RoNW at 34.85% and ROCE at 42.7%, highlight efficient capital allocation.

Strategic Location Advantage The company's manufacturing unit is located in Aligarh, Uttar Pradesh, a region abundant in high-quality potatoes. Sourcing directly from farmers within a 200 km radius ensures traceability, lower procurement costs, and consistent quality. The location also benefits from supportive government policies and subsidies for food processing units in Uttar Pradesh, enhancing cost competitiveness and strengthening long-term sustainability. This advantage provides a strong foundation for scaling operations profitably.

Strong Customer Relationships Shivashrit has established long-standing relationships with food processors, snack manufacturers, and hospitality businesses by ensuring consistent quality, cost-effectiveness, and timely deliveries. Its products have become an integral part of various industrial recipes due to uniform texture, flavor, and long shelf life. The reliability and repeat demand from these clients not only provide stable cash flows but also create opportunities for cross-selling new product lines, including retail offerings.

Entry into High-Growth Retail Market In December 2024, Shivashrit launched Shree Aahar, its B2C retail brand, through e-commerce platforms like Amazon, Flipkart, and Meesho, along with offline distribution in Delhi NCR. The brand taps into India's growing demand for convenient, ready-to-cook potato-based products. The retail segment offers higher margins compared to bulk industrial supplies, strengthening overall profitability. Over time, expanding the retail footprint across metro cities could significantly enhance brand equity and revenues.

Exhibit 1 : Dual Channel Business Model: Serving Industry and Homes

B2B Model (Industrial Supply)



- Operates under Shivashrit
- Supplies bulk potato flakes to food processors, HoReCa, and snack manufacturers
- Key applications: Instant mashed potatoes, snacks, thickening agents in soups & bakery products.
- Known for consistent quality, long shelf life of 12 months and easy integration into production lines
- Available in bulk packaging for industrial use



B2C Model (Retail & Urban Consumers)

- Launched Shree Aahar retail brand in December 2024
- Offers ready-to-cook potato-based products for home use
- Pack sizes: 200g, 400g, 1kg
- Targeted at urban households seeking quality and convenience
- Available via Amazon, Flipkart, Meesho, and own website
- Distribution expanding across Delhi NCR and metro cities



Source: Company RHP, Exencial Research

Key Risks

Raw Material Dependency The company's business is highly dependent on the availability and quality of potatoes. Seasonal variations, crop diseases, or adverse weather conditions could impact supply, increase procurement costs, and disrupt production. Any fluctuation in raw material availability may directly affect margins and business performance.

High Working Capital Requirement Shivashrit operates in a capital-intensive sector, requiring significant working capital for procurement, storage, and processing. Expansion plans further increase the requirement. Any delay in securing funds or higher borrowing costs could strain liquidity, impact operations, and reduce profitability, especially given a debt-to-equity ratio of 1.39.

Customer Concentration Risk A large portion of revenues comes from B2B institutional clients, including food processors and snack manufacturers. Dependency on a limited set of buyers creates concentration risk. Loss of a key client, lower order volumes, or adverse changes in customer preference could materially impact revenues and growth.

Intense Competition and Pricing Pressure The potato flakes industry, though fragmented, faces growing competition from both domestic and international players. Price-sensitive customers and substitute products in the food processing industry could exert downward pressure on margins. Failure to maintain cost competitiveness or differentiate through quality could affect market share.

Regulatory and Export Risks The company exports to multiple countries, exposing it to risks of changing food safety regulations, trade restrictions, currency fluctuations, and geopolitical uncertainties. Any tightening of export norms, rejection of consignments, or unfavorable foreign exchange movements could adversely affect revenue and profitability from international markets.

Execution Risk in Expansion Projects Shivashrit is undertaking a large capacity expansion to ~24,600 MTPA, which requires timely execution, regulatory approvals, and significant capital deployment. Any delay in project completion, cost overruns, or operational inefficiencies may impact revenue growth projections and strain financial resources. Failure to fully utilize the expanded capacity could also affect return ratios and overall profitability.

Source: Company RHP, Exencial Research

Future Outlook

Capacity Expansion for Growth The company is set to scale its production capacity from 8,640 MTPA to ~24,600 MTPA, significantly enhancing its ability to meet rising demand domestically and internationally. This expansion will allow Shivashrit to capture larger institutional orders, improve economies of scale, and strengthen its competitive positioning in the growing potato flakes market.

Rising Export Opportunities Global supply disruptions, especially from Eastern Europe, are creating opportunities for Indian potato flakes exporters. With established presence in 15+ countries and strong product certifications, Shivashrit is positioned to increase its export share. Continued demand from the USA, Middle East, and South America could boost revenues while diversifying geographical risk.

Retail Market Penetration The launch of Shree Aahar in December 2024 marked Shivashrit's entry into the consumer retail segment. With growing demand for ready-to-cook potato-based products, the company plans to strengthen its retail presence through e-commerce platforms and offline distribution in metro cities. This retail push is expected to drive higher-margin growth and brand recognition.

Favorable Industry Trends India's food processing sector is projected to grow rapidly, supported by urbanization, higher disposable incomes, and rising demand for convenience foods. Potato flakes, being a versatile ingredient for QSRs, snacks, bakery, and packaged foods, will see sustained demand. Shivashrit's strategic location, strong supply chain, and expansion plans position it well to benefit from these macro trends.

Financial Overview

Revenue Growth: The company has shown strong top-line growth, with revenue increasing from ₹4,535 lakh in FY23 to ₹10,469 lakh in FY25, reflecting a robust CAGR of over 50%. This growth is driven by capacity expansion, strong domestic demand, and rising exports.

Profitability: Profit After Tax (PAT) improved from ₹152 lakh in FY23 to ₹1,206 lakh in FY25, reflecting significant margin expansion as the business scaled. PAT margins improved from 3.34% in FY23 to 11.51% in FY25, supported by cost efficiency and higher operating leverage.

EBITDA Performance: EBITDA rose from ₹495 lakh in FY23 to ₹2,310 lakh in FY25, with EBITDA margin increasing from 10.91% to 22.06%. This highlights improved operational efficiency and better utilization of expanded capacity.

Return Ratios: The company delivered strong returns with RoNW at 34.85% and ROCE at 42.7% in FY25, reflecting efficient capital deployment.

Balance Sheet: Net worth strengthened to ₹3,460 lakh in FY25 from ₹1,093 lakh in FY23. Total borrowings stood at ₹4,796 lakh, resulting in a debt-to-equity ratio of 1.39x, which is moderate given expansion requirements.

Earnings Per Share (EPS): EPS grew consistently, reaching ₹8.64 pre-issue and ₹6.60 post-issue (adjusted for dilution). At the upper price band, the IPO values the company at a P/E of ~21.5x post-issue.

Exhibit 2: Profit & Loss Statement

Particulars (₹ Cr)	FY23	FY24	FY25
Revenue from Operations	45.35	76.22	104.69
EBITDA	4.95	19.87	23.10
EBITDA Margin (%)	10.91%	26.06%	22.06%
Profit After Tax (PAT)	1.52	11.61	12.06
PAT Margin (%)	3.34%	15.25%	11.51%
Net Worth	10.93	22.54	34.60
Total Borrowings	22.67	36.97	47.96
ROE (%)	13.87%	51.52%	34.85%
ROCE (%)	12.02%	44.89%	42.73%
Debt-to-Equity Ratio	2.07	1.64	1.39
EPS (₹)	1.09	8.32	8.64

Source: Company RHP, Exencial Research

Exhibit 3: Balance sheet

Particulars	FY23	FY24	FY25
Share Capital	4.65	4.65	13.95
Reserves & Surplus	6.28	17.89	20.64
Long-term Borrowings	12.87	12.43	9.20
Deferred Tax Liabilities (Net)	0.47	0.00	0.00
Short Term Borrowings	9.80	24.55	38.77
Trade Payables (MSME)	0.00	0.00	0.04
Trade Payables (Other than MSME)	12.88	16.62	21.82
Other Current Liabilities	1.18	4.44	1.50
Short Term Provisions	0.36	2.50	2.86
Total Liabilities	48.48	83.07	108.78
Property, Plant & Equipment	7.46	17.95	15.29
Capital Work In Progress	0.30	0.00	0.00
Non Current Investments	1.35	3.22	3.72
Deferred Tax Assets (Net)	0.00	0.03	0.39
Long Term Loans & Advances	1.06	4.18	1.25
Other Non Current Assets	0.74	0.78	0.88
Inventories	24.32	34.27	57.92
Trade Receivables	2.69	5.54	12.45
Cash and Cash Equivalents	1.07	0.40	0.99
Short Term Loans & Advances	7.83	13.97	12.52
Other Current Assets	1.66	2.74	3.37
Total Assets	48.48	83.07	108.78

Source: Company RHP, Exencial Research

Exhibit 4: Revenue Split – Domestic vs Exports (₹ in Crores)

Particulars	FY23	%	FY24	%	FY25	%
Exports Revenue	1263.57	28.00%	2528.57	33.00%	2329.22	22.25%
Domestic Revenue	3271.52	72.00%	5093.48	67.00%	8140.12	77.75%
Total Revenue	4535.10	100.0%	7622.05	100.0%	10469.34	100.0%

Source: Company RHP, Exencial Research

Growth Drivers Post-IPO, Shivashrit Foods plans to expand its potato flakes production capacity from 8,640 MTPA to ~24,600 MTPA, positioning itself among the leading players in India's value-added potato processing industry. Rising demand for ready-to-eat meals, snacks, and processed foods, along with favorable government incentives for food processing, provides strong tailwinds. The company's established domestic distribution and growing exports across 15+ countries enhance visibility for sustained growth.

Valuation View At the upper price band of ₹142, the IPO is valued at a post-issue P/E of **21.5x FY25 earnings**. While valuations appear on the higher side compared to traditional food processing peers, they remain reasonable considering superior return ratios (ROE 35%, ROCE 42.7%), strong balance sheet improvements, and industry-leading growth. The premium is supported by the company's scalable model, capacity expansion, and improving margin profile.

Recommendation

Subscribe for Long-Term Gains. Shivashrit Foods offers a differentiated play in India's fast-growing packaged and processed food sector. With strong promoter expertise, advanced manufacturing capabilities, rising export opportunities, and favorable industry dynamics, the company is well-positioned to deliver sustained growth. Investors with a medium to long-term horizon may consider subscribing for potential wealth creation.

Source: Company RHP, Exencial Research

Peer Comparison

Exhibit 5: Peer Comparison

Company	Revenue (₹ Cr) FY25	EPS (₹) FY25	P/E (x)	RoNW (%)
Shivashrit Foods Ltd	105.85	6.60*	21.52*	34.85%
ITC Ltd	78,945.00	18.56	28.41	32.88%
Nestle India Ltd	20,795.00	87.22	79.44	94.18%
DFM Foods Ltd	825.00	1.42	35.12	5.13%
Prataap Snacks Ltd	1,671.00	23.13	39.49	11.89%
Balaji Wafers Pvt Ltd	6,516.00	NA	NA	NA

Key Takeaways

Shivashrit Foods is much smaller in scale compared to giants like ITC and Nestle but has strong return ratios relative to mid-tier peers like DFM Foods and Prataap Snacks. Its P/E of 21.5x post-issue is lower than most FMCG peers, indicating reasonable valuation.

With RoNW of 34.85%, Shivashrit outperforms peers in capital efficiency, suggesting strong profitability despite smaller size. Unlike peers focused on diversified FMCG categories, Shivashrit operates in a specialized niche of potato flakes, which reduces competition intensity but also limits immediate scale.

The company's planned capacity expansion and rising exports provide higher growth visibility than some mature peers, which may justify valuation rerating in the Long term.

Source: Company RHP, Exencial Research

Industry Outlook

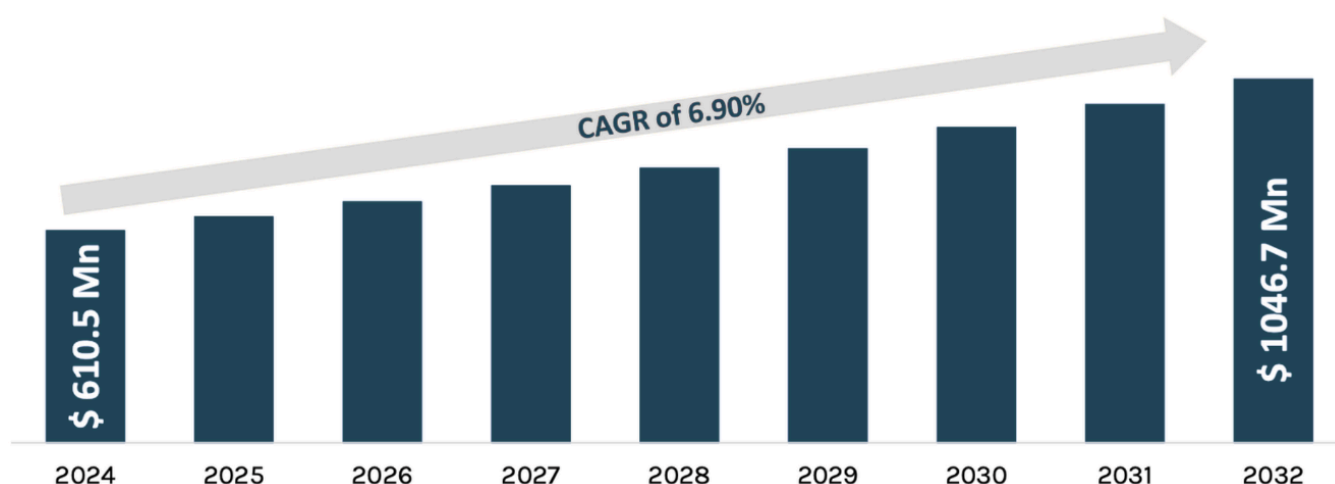
The Indian food processing market is witnessing robust growth, projected to rise from **\$866 billion in 2022 to \$1,274 billion by 2027**, fueled by rapid urbanization, rising disposable incomes, and lifestyle changes. Within this vast segment, potato-based products such as flakes have gained prominence, driven by their versatility in ready-to-eat meals, snacks, and bakery items. The increasing shift of consumers towards packaged food and quick-service restaurants (QSRs) further underpins the demand, offering a structural long-term growth opportunity for specialized processors like Shivashrit Foods.

Potato flakes specifically are on a steady growth trajectory, with the **India Potato Flakes Market valued at \$610.5 million in 2024** and projected to reach **\$1,046.7 million by 2032**, translating into a CAGR of **6.9%**. Production of potatoes in India reached **60.17 million tonnes in FY25**, providing ample raw material supply for processing. Rising adoption of potato flakes by food manufacturers for consistent quality and longer shelf life creates a resilient demand environment, ensuring steady volume growth.

India's export performance highlights the growing international opportunity. Potato flakes exports increased from **\$58.09 million in FY24 to \$63.27 million in FY25**, showing healthy momentum despite global supply disruptions caused by the Russia-Ukraine conflict. Multiple countries in Asia, the Middle East, and Latin America have become stable buyers of Indian potato flakes, underscoring the country's role as an emerging export hub. Supportive trade policies, along with certification and quality compliance, further strengthen India's competitive positioning in the global market.

Government support and favorable policies act as additional catalysts for the sector. Being part of **priority sector lending**, potato processing benefits from easier access to credit and subsidies, enabling capacity expansion and modernization. Industry trends such as demand for standardized taste, customized product solutions for QSR chains, and resilience against supply shocks position the sector for consistent growth. Companies with advanced technology and strong procurement linkages are likely to outperform, making this industry an attractive play for investors.

Exhibit 6: India Potato Flakes Market, By Application, 2022-2032 (\$Million)



Source: Company RHP, Exencial Research

Exhibit 7: Leadership Team

Name	Designation	Experience
Mr. Prashant Singhal	Chairman & Managing Director	20+ years in cold storage, trading and food processing industry; key driver of company's strategy and growth.
Mr. Nishant Singhal	Whole-time Director	12+ years in business operations, procurement, and sales in the agro and food sector.
Mrs. Sunita Singhal	Non-Executive Director	10+ years' experience in administration and business support functions.
Mr. Ramesh Chand Singhal	Non-Executive Director	30+ years' experience in agriculture, storage and trading activities.

Source: Company RHP, Exencial Research

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