Shree Tirupati Balajee Agro Trading Co. Ltd

June 08, 2026

Rating Action

Total Bank Loan Facilities Rated	**Rs. 104.00 Crore**	**Regulator^**
Long Term Rating	**IVR BBB+/Stable (Rating Downgraded, Outlook revised to 'Stable' from 'Negative')**	**RBI**
^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.		

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: *None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.*

Rationale

The downgrade in the ratings assigned to the bank facilities of Shree Tirupati Balajee Agro Trading Company Limited (STBATCL) factors in the moderation in its business performance in FY2026 (FY refers to April 1 to March 31), as reflected in the decline in profitability despite stable revenues. The pressure on margins was primarily due to the adverse impact of higher U.S. import tariffs on FIBC products, which affected business volumes and pricing flexibility in the company's key export market. Further, the company incurred additional operating expenses towards strengthening its marketing presence and developing new markets beyond the U.S. In addition, a sharp increase in polypropylene and polymer granule prices, driven by supply-chain disruptions and elevated crude oil prices amid the West Asia conflict, adversely impacted profitability. The company's inability to fully and immediately pass on the increased cost to customers further compressed the margins during the year.

The ratings, however, continue to derive strength from STBATCL's satisfactory capital structure, established track record in the FIBC industry, diversified customer profile and experienced promoters. These rating strengths remain constrained by the average debt service coverage indicators and the working capital-intensive nature of operations. Going forward, the STBATCL's ability to improve profitability and sustain healthy cash accruals will remain a key rating monitorable.

Infomerics Ratings has simultaneously withdrawn the long-term rating assigned to the Cash Credit and EPC facility of HDFC bank rated earlier with immediate effect. The above action has been taken based on the 'No Due Certificate' issued by the lender. The rating is being withdrawn in accordance with Infomerics' Policy on Withdrawal of ratings.

Outlook: Stable

Stable outlook reflects expected steady business performance of the company marked by healthy revenue visibility attributable to strong demand of the product and comfortable capital structure.

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Consolidation IVR has consolidated the financials of Shree Tirupati Balajee Agro Trading Company Limited (STBATCL) along with its subsidiaries Shree Tirupati Balajee FIBC Limited (STBFL), Jagannath Plastics Private Limited (JPPL) and Honourable Packaging Private Limited (HPPL) controlled by the same management with operational and financial linkage.
Parent/ Group Support	Not Applicable

List of companies considered for consolidation/combined analysis is given at Annexure 4.

Key Rating Drivers with Detailed Description

Strengths

Satisfactory capital structure

Post listing of shares of the STBATCL during FY25 and driven by prepayment of outstanding term loans of the company along with its subsidiaries, the capital structure of the company had improved. The tangible net worth of STBATCL (Consolidated) continues to remain comfortable and stood at Rs. 348.01 crore as on March 31, 2026. Along with high working capital utilisation, during FY26, STBFL (the subsidiarity) of STBATCL has taken working capital term loan under Credit Guarantee Scheme for Exporters (CGSE) of Rs.10.76 crore which has slightly elevated debt level from Rs.202.15 crore as on March 31, 2025, to Rs. 231.64 crore as on March 31, 2026. Moreover, the overall gearing and TOL/ATNW continues to remain satisfactory at 0.67x and 0.80x as on March 31, 2026. However, owing to moderation in EBITDA, Total Debt/EBITDA has moderated from 3.24x as on March 31, 2025, to 5.75x as on March 31, 2026. Infomerics Ratings believes, baked by strong net worth with no major planned capex, the capital structure would remain satisfactory in the near term.

Well diversified operation

Over the years of its presence, the company has successfully expanded its product reach to various industries like chemicals, salt, fertilizer, food, pharma, Agri-commodities, cement, and construction. Moreover, the company's revenue is well diversified with a healthy revenue mix of export and domestic sales. Further, it has established a strong and healthy relationship with

reputed players in the market thereby ensuring repeated orders from them because of quality and reliable products offered to them.

Long operational track record of operation under experienced promoters

STBATCPL was promoted in 2001 by one Mr. Binod Kumar Agarwal to manufacture woven sacks and FIBC bags. STBFL, subsidiary of STBATCL was incorporated in 2009 to manufacture FIBC bags. Both companies are part of the Indore-based Shree Tirupati Balajee Group. Shree Tirupati Balajee Group has a long strong presence for more than two decades in the flexible packaging industry. The promoter, Mr. Agarwal, also has vast business experience of more than two decades, which supports the business risk profile to a large extent.

Weaknesses

Moderation in business performance in FY26

STBATCL reported a largely stable operating income of Rs.576.03 crore in FY26 compared with Rs.584.15 crore in FY25. However, the company's profitability moderated during the year, with the operating margin declining to 6.99% from 10.69% in FY25.

The moderation in profitability was driven by a combination of external factors that affected the global FIBC (Flexible Intermediate Bulk Container) industry. The increase in U.S. import tariffs on FIBC products created uncertainty in the company's key export market, impacting demand dynamics and pricing flexibility. At the same time, geopolitical tensions in the Middle East led to a sharp increase in crude oil and natural gas prices. Given that polypropylene (PP), the key raw material used in FIBC manufacturing, is a petrochemical derivative, the company faced elevated input costs during the year. While STBATCL undertook efforts to pass on the higher costs, the transmission was not immediate across its customer base, resulting in pressure on operating margins. Additionally, as part of its strategic initiative to diversify its revenue profile and reduce dependence on the U.S. market, the company intensified its marketing efforts in Europe, the Middle East and Latin America through expansion of its marketing team and customer acquisition activities. Further, selective pricing support and discounts extended to certain customers to protect market share also weighed on profitability in the near term.

Consequently, the PAT margin declined to 2.12% in FY26 from 5.39% in FY25, while net cash accruals moderated to Rs.19.71 crore from Rs.40.43 crore in FY25. Nevertheless, the company's profitability witnessed a sequential improvement in Q4 FY26 over Q3 FY26, indicating gradual stabilisation in operating performance. Going forward, Infomerics expects the benefits of market diversification initiatives, coupled with improved cost pass-through and a more favourable operating environment, to support a recovery in profitability over the medium term.

Average debt service coverage indicators

Affected by the moderation in EBITDA from Rs.62.42 crore in FY25 to Rs. 40.29 crore in FY26, along with slightly higher finance cost in FY26 for higher working capital utilisation, intertest coverage ratio has moderated to 1.90x in FY26 from 3.01x in FY25. Further, with the dip in net cash accrual, Total Debt/NCA also moderated and stood at 11.75 years as on March 31, 2026, as compared to 5 years as on March 31, 2025. However, the DSCR remains satisfactory at above 2x in FY26 that provides some comfort.

Working capital intensive nature of operation

The operations of the company remained working capital intensive marked by its high working capital requirements. Further, the operating cycle of the company remained elongated mainly due to its long average inventory holding period owing to the very nature of the business mainly to avail the cost advantages from bulk buying and to ensure the availability and mitigate the price fluctuation of Polypropylene granules which are the key raw material needed to manufacture FIBC bags. The operating cycle of STBATCL has moderated from 235 days in FY25 to 261 days in in FY26 on account of increase in inventory days from 196 days in FY25 to 219 days in FY26.

Liquidity – Adequate

Cash flow from operation (CFO) of the STBATCL (Consolidated) stood ~Rs. (6.71) crores in FY26. However, the CFO is expected to improve during FY27-29. With no major planned capex in near future coupled with its expected healthy gross cash accruals of ~Rs.22-28 crore during FY27-FY29 against scheduled debt repayment obligation of Rs.3.38 -3.06 crore during the aforesaid period, the liquidity profile of the company is expected to remain adequate. Moreover, with its satisfactory current ratio of 2.00x as on March 31, 2026, STBATCL also has comfortable gearing headroom on the back of its satisfactory capital structure. The average working capital utilisation of STBATCL and STBFL stood ~92% and 89% respectively for the past 12 months ended March 2026. Hence, the liquidity position though remained adequate, is restricted due to its working capital-intensive nature of operation mainly due to its elongated average inventory period.

Rating Sensitivities

Upward Factors

- Substantial and sustained growth in scale of operations with improvement in profitability and cash accrual on a sustained basis and consequent improvement in liquidity
- Improvement Total Debt/EBITDA to below 3x and improvement in debt protection metrics marked by interest coverage to above 4x
- Improvement in the operating cycle with improvement in the receivable period leading to improvement in liquidity

Downward Factors

- Decline in operating income and profitability leading to deterioration in gross cash accruals
- Any unplanned capex and or substantial increase in working capital borrowings leading to impairment in the capital structure with deterioration in Total Debt/EBITDA to more than 6x and moderation in interest coverage to below 1.5x
- Stretch in the working capital cycle driven by pile-up of inventory or stretched receivables.

About the Company:

STBATCPL was incorporated in 2001 by Mr. Binod Agarwal which got changed to Shree Tirupati Balajee Agro Trading Company Limited (STBATCL) on November 20, 2023. The company had gone for IPO and got listed on both BSE and NSE as on September 12, 2024. STBATCL is a part of Shree Tirupati Balajee group which is engaged in manufacturing of FIBC bags for food, pharmaceutical, mineral, and mining, construction, and agricultural produce packaging. STBATCL's manufacturing facility is at Pithampur, Indore, Madhya Pradesh, having a capacity of 28,000 metric tonnes per annum (MTPA) of FIBC bags.

Shree Tirupati Balajee FIBC Limited (STBFL) the subsidiary of STBATCL was incorporated in 2009 by Mr. Binod Agarwal. STBFL is a part of Shree Tirupati Balajee group which is engaged in manufacturing is into manufacturing of high value-added FIBC bags for food and pharma segments. STBFL is a 100% export-oriented unit and holds the British Retail Consortium food safety certification having installed capacity of 12,000 MTPA.

Key Financial Indicators (Consolidated)

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	584.15	576.03
EBITDA	62.42	40.29
PAT	62.42	40.29
Total Debt	202.15	231.64
Tangible Net Worth (TNW)	335.03	348.01
EBITDA Margin (%)	10.69	6.99
PAT Margin (%)	5.39	2.12
Overall Gearing (times)	0.60	0.67
Interest Coverage (times)	3.01	1.90

**Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company*

Applicable Criteria

Rating Methodology for Manufacturing Companies

Financial Ratios & Interpretation (Non-Financial Sector)

Policy on Default Recognition

Criteria of assigning Rating Outlook

Complexity Level of Rated Instruments/Facilities

Criteria of Consolidation of Companies

Policy on Withdrawal of Rating

Status of non-cooperation with previous CRA: NA

Any other information: NA

Rating History for last three years

Sr. No.	Instruments/ Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in in 2023-24
					Nov 18, 2025	Mar 25, 2025	Feb 23, 2024
1.	Fund based facilities	LT	104.00	IVR BBB+ /Stable	IVR A-/Negative	IVR A-/ Stable	IVR BBB /Positive

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook	Listing Status	Regulator^	Complexity Indicator
EPC/CC I	-	-	-	-	15.00	IVR BBB+ /Stable	NA	RBI	Simple
EPC/CC II	-	-	-	-	53.00	IVR BBB+ /Stable	NA	RBI	Simple
EPC/CC III	-	-	-	-	17.00	IVR BBB+ /Stable	NA	RBI	Simple
EPC/CC IV	-	-	-	-	19.00	IVR BBB+ /Stable	NA	RBI	Simple
EPC/CC V	-	-	-	-	-	Withdrawn	NA	RBI	Simple

^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/Len_Tirupati_Balajee_Agro_8june26_63bda0545d.pdf

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: NA

Annexure 4: List of companies considered for Consolidated/Combined analysis:

Name of the entity	Extent of Consolidation	Rationale for consolidation
Shree Tirupati Balajee Agro Trading Company Limited	Full	Subsidiaries with common promoters & management. Same line of businesses, Cash flow fungibility
Shree Tirupati Balajee FIBC Limited	Full	
Jagannath Plastics Private Limited	Full	
Honourable Packaging Private Limited	Full	

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference Shares	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) *	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) *	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ^	RBI
9	External Commercial Borrowings/Loans from overseas lenders/Loans from Multilaterals	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	Refer foot note
15	Issuer Ratings #	Refer foot note
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
22	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
23	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) @	Investor-side Regulator such as IRDAI, PFRDA

Footnotes:

** Includes securitisation transactions involving assignee payout, acquirer's payout.*

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In Press Release(s) subsequent to issuance(s), CRA shall separately capture the rated quantum details along with names of respective regulators.

 # There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

@ These ratings were assigned during regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side regulators have been included.

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