

Godavari Biorefineries IPO

Godavari Biorefineries IPO Price: ₹334 to ₹352 per share
IPO Dates: 23 October 2024 - 25 October 2024



Godavari
Biorefineries Ltd

Company Overview

Godavari Biorefineries Limited, incorporated in January 1956 as Godavari Investment and Finance Corporation Ltd, operates as a major ethanol-based chemical manufacturer in India. The company changed its name to Godavari Biorefineries Limited in November 2006. As of June 30, 2024, the company operates an integrated biorefinery with an ethanol production capacity of 570 KLPD and is one of India's largest ethanol producers.

Manufacturing Facilities

The company operates two main manufacturing facilities:

- **Sameerwadi Facility:** Located in Bagalkot district, Karnataka, this facility specializes in sugarcane crushing and produces sugar, ethanol, and power.
- **Sakarwadi Facility:** Located in Ahmednagar district, Maharashtra, this facility focuses on bio-based chemical production.

Product Portfolio

Godavari Biorefineries has a diversified product portfolio, including:

- **Bio-based chemicals:** Widely used in food, beverages, pharmaceuticals, flavors and fragrances, personal care, and cosmetics industries.
- **Ethanol:** The company produces multiple grades of ethanol, essential in the power and fuel industries.
- **Sugar and power:** Derived from its sugarcane feedstock, the company produces sugar and generates power for various applications.

Market Leadership and Innovation

- The company is the world's largest producer of MPO (3 Methyl-3 Penten-2-One) by installed capacity as of March 31, 2024.
- It is one of only two manufacturers of natural 1,3-butanediol and the only Indian company producing bio-ethyl acetate.
- Godavari Biorefineries has also set up India's first bio-based ethyl vinyl ether (EVE) manufacturing facility.

Research and Development

Godavari Biorefineries has a strong focus on research and innovation. The company operates three R&D facilities registered with the Department of Scientific and Industrial Research (DSIR), located in Sakarwadi, Sameerwadi, and Navi Mumbai, Maharashtra. The research team includes 52 permanent staff, with eight PhD scientists working on various projects.

As of October 2024, the company obtained 18 patents and 53 registrations for products and processes across multiple countries.

Global Reach and Clientele

Godavari Biorefineries serves customers in over 20 countries, including Australia, China, Germany, France, Italy, Japan, Kenya, the Netherlands, Singapore, the United Kingdom, the United States, and more. The company's client base features renowned names such as Hershey India Pvt Ltd, Hindustan Coca-Cola Beverages, LANXESS India, and several others.

Expansion Plans

In response to government initiatives to increase fuel ethanol blending, Godavari Biorefineries plans to expand its distillery capacity from 600 KLPD (as of June 2024) to 1,000 KLPD.

Competitive Strengths

- **Experienced Leadership:** Godavari Biorefineries benefits from its association with the Somaiya group and a highly experienced management team.
- **Ethanol Production:** One of India's largest producers of ethanol by volume.
- **Integrated Biorefinery:** The company operates a fully integrated biorefinery with a capacity of 570 KLPD for ethanol production.
- **Diversified Portfolio:** It offers a wide range of bio-based products, with applications in industries ranging from food and beverages to personal care.
- **Strong R&D Capabilities:** The company has well-developed in-house research and development facilities.

Godavari Biorefineries IPO Specifics:

IPO Date	October 23, 2024 to October 25, 2024
Listing Date	Wednesday, October 30, 2024
Face Value	₹10 per share
Price Band	₹334 to ₹352 per share
Lot Size	42 Shares
Total Issue Size	15,759,938 shares (aggregating up to ₹554.75 Cr)
Fresh Issue	9,232,955 shares (aggregating up to ₹325.00 Cr)
Offer For Sale	6,526,983 shares of ₹10 (aggregating up to ₹229.75 Cr)
Issue Type	Book Built Issue IPO
Listing At	BSE, NSE
Share holding pre issue	41,943,023
Share holding post issue	51,175,978

Godavari Biorefineries IPO Timetable (Important Dates)

IPO Open Date	Wednesday, October 23, 2024
IPO Close Date	Friday, October 25, 2024
Basis of Allotment	Monday, October 28, 2024
Initiation of Refunds	Tuesday, October 29, 2024
Credit of Shares to Demat	Tuesday, October 29, 2024
Listing Date	Wednesday, October 30, 2024
Cut-off time for UPI mandate confirmation	5 PM on October 23, 2024

Godavari Biorefineries IPO Lot Size

Bidders have the opportunity to bid for a minimum of 42 shares, with the option to increase in multiples. The table below outlines the minimum and maximum investment thresholds for both retail investors and High Net Worth Individuals (HNIs), specifying the corresponding number of shares and amounts involved.

Application	Lots	Shares	Amount
Retail (Min)	1	42	₹14,784
Retail (Max)	13	546	₹1,92,192
S-HNI (Min)	14	588	₹2,06,976
S-HNI (Max)	67	2,814	₹9,90,528
B-HNI (Min)	68	2,856	₹10,05,312

Godavari Biorefineries IPO Reservation

QIB Shares Offered	Not more than 50% of the Net offer
Retail Shares Offered	Not less than 35% of the Offer
NII (HNI) Shares Offered	Not less than 15% of the Offer

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Godavari Biorefineries Limited IPO Financial Information

Godavari Biorefineries Limited experienced a negative trend in its financial performance, with a decline of 15.92% in revenue and a significant drop of 37.37% in profit after tax (PAT) from the fiscal year ending on March 31, 2024, to March 31, 2023.

Period Ended	31 Mar 2022	31 Mar 2023	31 Mar 2024	30 June 2024
Assets	1733.54	1743.52	1991.66	1554.62
Revenue	1709.98	2023.08	1701.06	525.27
Profit After Tax	19.10	19.64	12.30	-26.11
Net Worth	232.57	249.01	260.25	233.84
Reserves and Surplus	431.06	447.51	458.74	432.34
Total Borrowing	636.72	738.01	663.27	703.75

Amount in ₹ Crore

Key Performance Indicator - Godavari Biorefineries IPO

KPI	Values
Market Cap	₹ 1801.39 Cr.
EPS	₹2.93
P/E (x)	120.04
ROE	-11.16%
ROCE	-2.35%
Debt/ Equity	3.01
RoNW	-11.16%
P/BV	6.31

as of June 30, 2024

Objects of the Issue:

Godavari Biorefineries intends to utilize the net proceeds from the fresh issue of shares for the following purposes:

- 1. Repayment/Pre-payment of Borrowings:** A portion of the funds will be used to repay or pre-pay, either in full or in part, certain outstanding borrowings that the company has availed.
- 2. General Corporate Purposes:** The remaining funds will be allocated towards general corporate purposes, which may include activities such as business development, working capital needs, or other strategic initiatives.

Prospectus Links:

Prospectus: Official documents that provide detailed information about the IPO and the company.

[Godavari Biorefineries Limited IPO DRHP.](#)

[Godavari Biorefineries Limited IPO RHP.](#)