

COMSYN/BSE/2018-19

Date: 15<sup>th</sup> November, 2018

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To,  
The General Manager,  
DCS-CRD  
BSE Limited  
PhirozeJeejeebhoy Towers  
Dalal Street Mumbai- 400001(MH)

**BSE Scrip ID: COMSYN BSE Scrip Code: 539986**

**Subject: Submission of 'Investor Presentation–November, 2018' pursuant to Regulation 30 read with Schedule III of the SEBI (LODR) Regulations, 2015.**

Dear Sir/Madam,

Pursuant to Regulation 30 read with Schedule III of the SEBI (LODR) Regulations, 2015, please find enclosed herewith '**Commercial Syn Bags Limited- Investor Presentation- November 2018**'.

A copy of aforesaid Investor Presentation is also hosted on the website of company [www.comsyn.com](http://www.comsyn.com).

You are requested to please take on record the above said document for your reference and further needful.

Thanking You,  
Yours Faithfully,  
**FOR, COMMERCIAL SYN BAGS LTD.**

*Anamika Gupta*  
**CS ANAMIKA GUPTA  
COMPANY SECRETARY &  
COMPLIANCE OFFICER**



Encl. As above

## **Commercial Syn Bags Limited**

*Formerly known as (Commercial Synbags Ltd.)*

CIN : L25202MP1984PLC002669

Registered Office : Commercial House, 3-4, Jaora Compound, M.Y.H. Road, INDORE - 452 001, M.P. INDIA

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# COMMERCIAL SYN BAGS LIMITED

Investor Presentation November 2018

**COMSYN**

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## Company Overview

- Commercial Syn Bags Limited (COMSYN), one of the oldest players in the packaging industry, manufactures bulk flexible packaging products and industrial traps and covers.
- It mainly caters to the B2B segment and its products cater to various industries like bulk packaging, agriculture, chemical, cement, food, construction, etc.
- The company offers a huge product portfolio and a wide range within each product category to best suit their client needs.

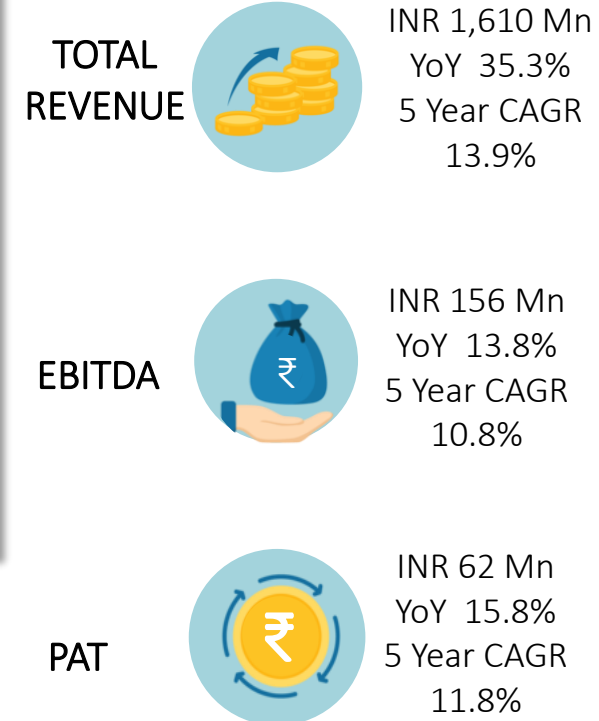
## Revenue Mix

- FIBC (Flexible Intermediate Bulk Container) constitutes 68% of the revenue and is mainly used for bulk packaging in chemicals, agriculture, food, cement, construction industries, etc.
- Other products include Tarpaulin, BOPP Bags, Woven Sacks/Bags, PP Fabric, Garden Bags, Waste Bags, Box Bag, Ground covers, Pond Liners, Mulch Films and Spiral Tubing.

## Manufacturing and Distribution Network

- The company's manufacturing units are located at Pithampur near Indore, India.
- The company produces 4 – 5 Mn Big Bags annually.
- The company have a strong clientele across all the 6 continents.

## Financial Highlights (FY18)



TARPAULIN

### EXPORTS TO



Over 25 countries

### MTPA



17,000

### EMPLOYEES



Over 1,500

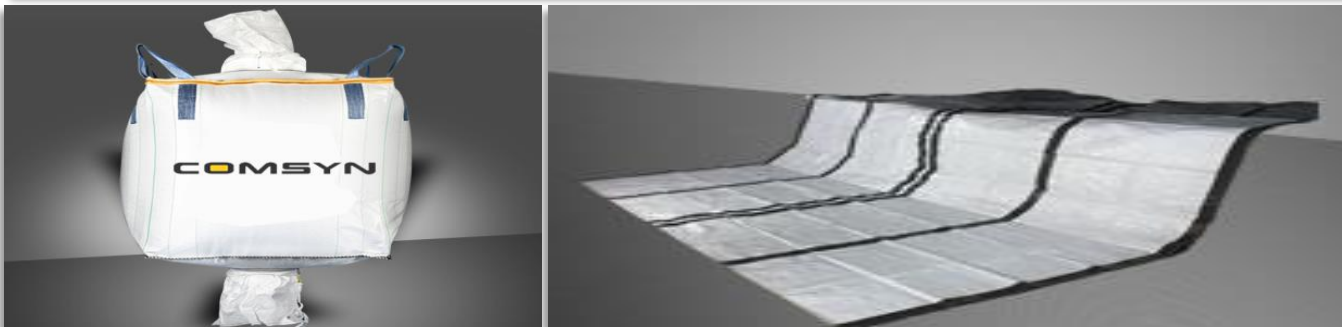
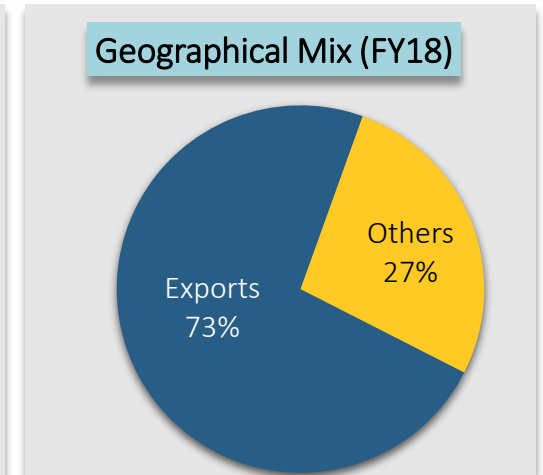
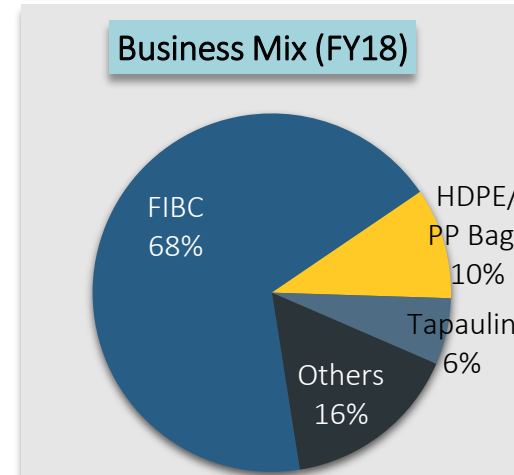
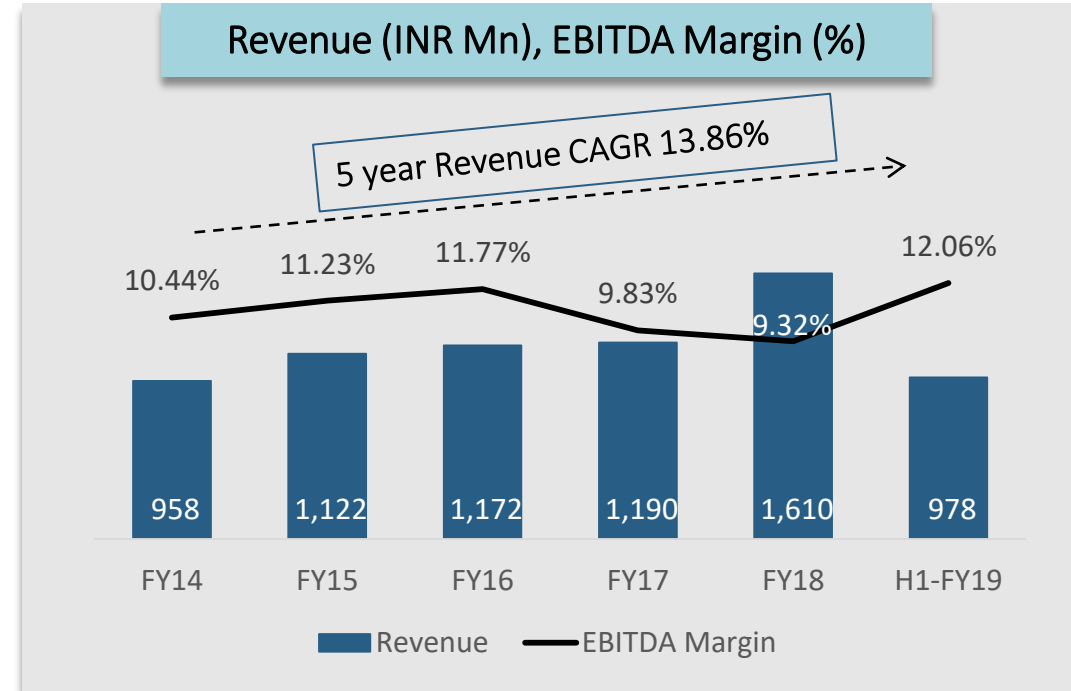
# COMPANY OVERVIEW





# COMPANY OVERVIEW

1. Commercial Syn Bags Limited (COMSYN), incorporated in 1984 in Indore, Madhya Pradesh has over three decades of experience in the packaging industry and has a presence in over 25 countries worldwide.
2. The company is into manufacturing of Flexible Intermediate Bulk Container Bags (FIBC) which are also called as Jumbo Bags, HDPE/ PP Bags, HDPE/ PP Tarpaulin, BOPP Bags, PP Fabric, Ground Covers, Spiral Tubing, etc. It is also carrying trading business of granules as DCA cum CS of ONGC Petro additions Limited (OPaL).
3. FIBC exports contributes 68% of the total revenue of the company.
4. The company is a B2B player and caters to various industries like cement, sugar, chemical, construction, agriculture, food packaging, etc.
5. It has four manufacturing facilities at Pithampur near Indore, India and has a current manufacturing capacity of 17,000 MTPA.
6. The company came out with maiden IPO of INR 76.608 Mn in 2016. The issue was made at an issue price of INR 24 per share including the premium of INR 14 per share which was oversubscribed by 6.76 times.
7. Promoter's strong relations with the end users and seizing the opportunity at the right time has made COMSYN's penetration in the world market very successful.



# KEY MILESTONES

1984

- Incorporation of the company

1986

- Commencement of commercial production
- Unit I – Tarpaulin and PP woven sacks facility

1993

- Conversion of the company from Private Limited to a Public Limited entity.

2002

- Received ISO 9001:2008 certification

2008

- AIFTMA Award for Export excellence 2006-2007 in woven sacks and fabric SSI Sector at 33<sup>rd</sup> Annual Session

2011

- Set up UNIT II
- AIFTMA Export Promotion Award (medium sector) 2009-2010 & 2010-2011 at 35<sup>th</sup> Annual Session

2013

- Setting up of a manufacturing facility at SEZ Unit

2014

- Setting up of a manufacturing facility at Unit III
- AIFTMA Award for Export Excellence for winner in medium scale jumbo bags category for the year 2012-2013 at the 36<sup>th</sup> Annual Session

2016

- Introduction of a new product category - printed laminates for flexible packaging
- Initial Public Offer of the company's Equity Shares and Listing on BSE SME Platform
- Initiated expansion of the company's SEZ Unit
- Awarded as one of the top performers in BSE SME Segment (2015-16)

2017

- Installation of 1.0 MW [1.2 MW peak (p)] Solar Power Generation System at Ujaas Solar Park, Sitamau, Madhya Pradesh
- Appointed as DCA-cum-CS of OPaL for Polymers (PE/ PP) for a period of 3 years
- Honoured for having a long-term standing association with ECGC
- Receipt of Certificate for recognition as "Two Star Export House" under Foreign Trade Policy 2015-2020
- Company's Unit-I achieved "BRC Certification" for separate clean room facilities.

2018

- Appointed as Training Partner/PIA under DDU-GKY for Skill Development, Training and Placement Programme of MoRD (Govt. of India)
- Commercial production at Company's SEZ Unit situated at Pithampur (MP) successfully commenced w.e.f. 22<sup>nd</sup> April, 2018
- Total Production/Installed Capacity (All Units) increased from 13,100 MT to 17,000 MT after expansion activities by installation of Tape Line and Looms with clean room facilities for manufacturing of Food Grade FIBC Bags.



## Mr. Anil Choudhary - Chairman & Managing Director, Promoter

- Post Graduate in Arts, Graduate in Science and Diploma in Business Management from University of Indore.
- Managing Director since incorporation, has an experience of over three decades in plastic packaging industry.

## Mr. Mohanlal Choudhary - Promoter

- Cleared his higher secondary examination from Board of Secondary Education, Madhya Pradesh.
- An experience of over three decades in the plastic packaging industry and is the guiding force behind strategic decisions of the company.

## Mr. Ravindra Choudhary - Chief Executive Officer (CEO)

- Graduate in Commerce and having Diploma in Finance & Tax Management and Diploma in Import Export Management.
- CEO since May 12, 2016 and looks after the strategic growth of the company and has an experience of more than 20 years.

## Ms. Ranjana Choudhary - Whole Time Director

- Masters in Computer Management from North Maharashtra University, Jalgaon.
- Director since June 05, 2011 and has an experience of more than five years in the plastic packaging industry.

## Mr. Virendra Singh Pamecha - Whole Time Director

- WTD since March 26, 2016 and acts as an occupier of the company's factories and is entrusted with the control of the company's factories' affairs at Pithampur and has an experience of more than 20 years.

## Mr. Pramal Choudhary - Chief Operating Officer (COO)

- Master in Business Administration from The ICFAI University, Dehradun.
- COO since May 12, 2016 and is entrusted with the responsibility of operational and overseas activities of the company and has an experience of more than 9 years.

## Mr. Abhishek Jain - Chief Financial Officer (CFO)

- Masters in Commerce, Business Administration (Finance), Law and is an Associate Member of ICSI.
- CFO since May 12, 2016 and looks after the administration and financial operations of the Company and has an experience of more than 12 years.

## Mr. Ashok Gupta – Director Technical

- Bachelor of Engineering from BITS, Pilani.
- Director Technical since January 2016 and looks after production activities of the company and has an experience of more than 30 years in the field of technical textile.



AIFTMA Award for Export Excellence for winner in medium scale jumbo bags category for the year 2011-2012 at 36<sup>th</sup> Annual Session

Recognized by Government of India as Two Star Export House

AIFTMA Award for Export Excellence for winner in medium scale jumbo bags category for the year 2012-2013 at 36<sup>th</sup> Annual Session

One of the Top Performers in BSE SME Segment (FY16)



**Honoured for having a long-term association with ECGC.**



AIFTMA Export Promotion Award (medium sector) 2009-2010 & 2010-2011 at 35<sup>th</sup> Annual Session

AIFTMA Award for Export excellence 2006-2007 in woven sacks and fabric SSI Sector at 33<sup>rd</sup> Annual Session

AIFTMA Award for Export excellence 2006-2007 in FIBC Jumbo Bags SSI Sector at 33<sup>rd</sup> Annual Session

AIFTMA Award for Export excellence 2006-2007 in Tarpaulins SSI Sector at 33<sup>rd</sup> Annual Session

**Chemical Industry**



**Agriculture Industry**



**Construction Industry**



**Food Industry**

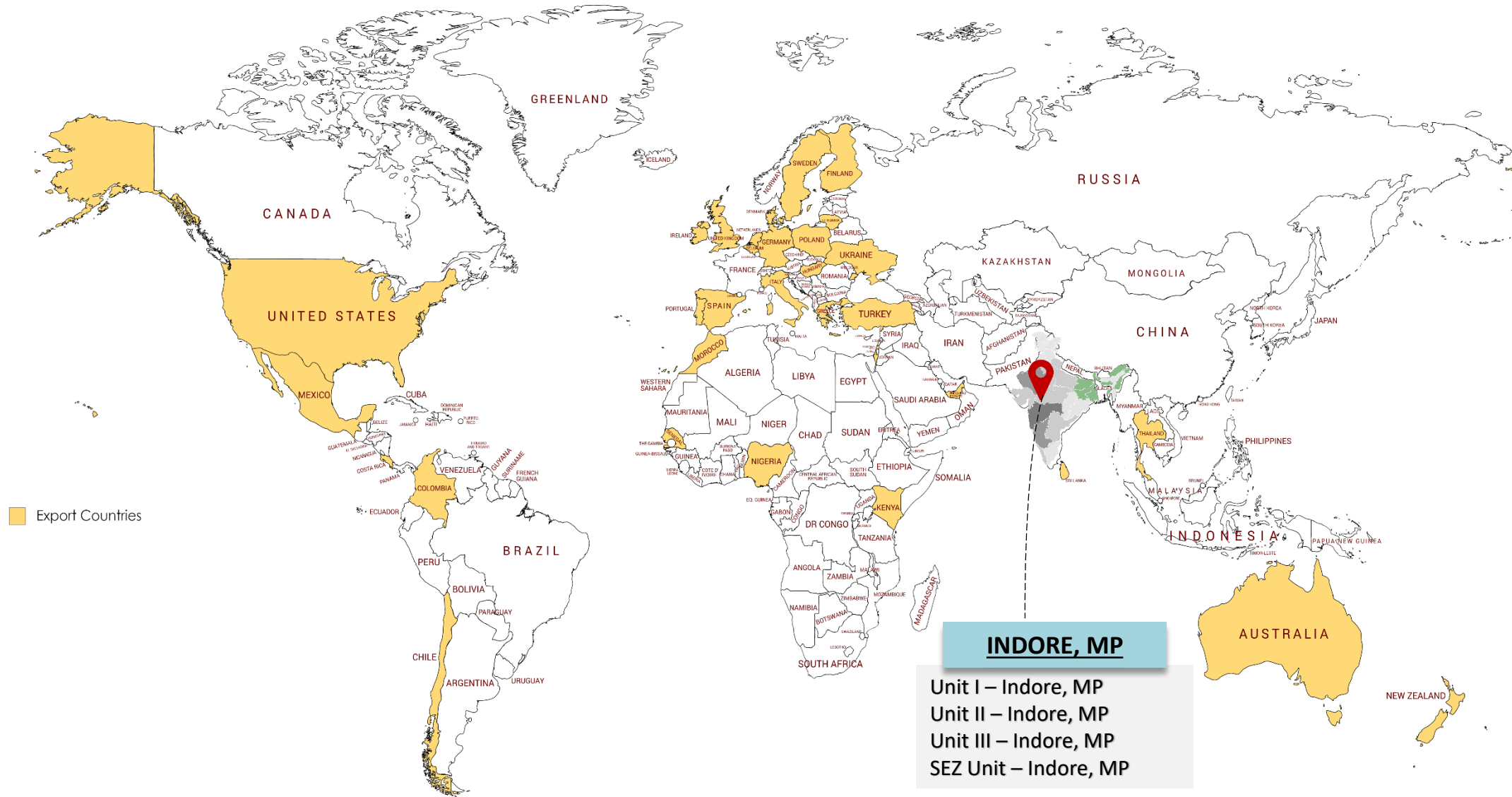


**Pharma Industry**



**Waste Management**









The plants are well facilitated with modern machineries and technologies to get a higher output and better quality of finished products.

## Unit I – Indore, MP

Established immediately after incorporation and has manufacturing machines like:

- Tape manufacturing machines
- Circular looms
- Stitching machines
- Tensile Testing machines
- Fully Power Back Up
- Electric and diesel fork lift for handling material
- Bale press

## Unit II – Indore, MP

Started in the year 2011, the manufacturing facility has machines such as:

- Gusseting machine
- Rotogravure printing machine
- Automatic Woven Bag Cutting and Sewing (Conversion line)
- Three layer blown film plant
- Stitching Machine
- Roll to roll flexographic printing machine
- Lamination plant
- Tarpaulin sealing machines
- Bale press
- Stitching machines

## SEZ Unit – Indore, MP

Started in the year 2013, the company has the following major machines situated at SEZ unit:

- Cutting machine
- Stitching machine
- Balling machine

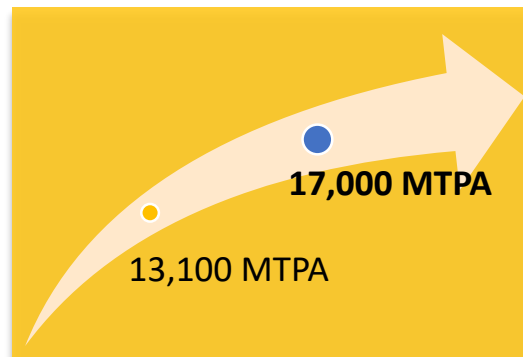
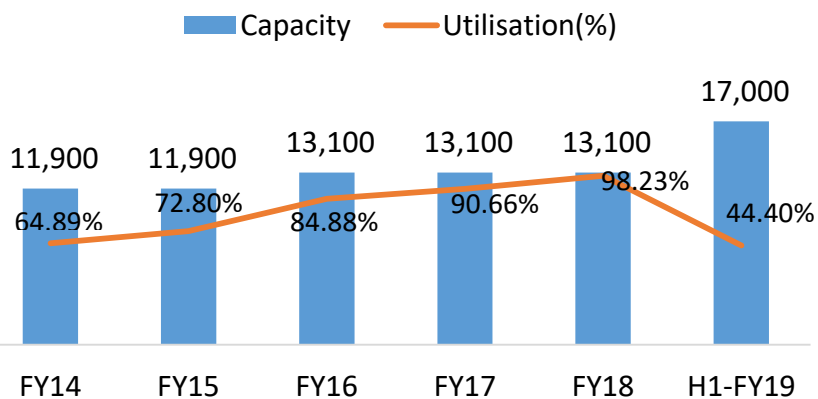
### Expansion of SEZ Unit

Recently expanded operations at SEZ Unit by installation of Tape Line and Looms with Clean Room Facilities for manufacturing of Food Grade FIBC Bags.

## Unit III – Indore, MP

Started in the year 2014, the company has an imported machine and an Indian-made machine for recycling of granules.

## Manufacturing Capacity and Utilisation





## Product Diversification

- The product portfolio comprises of about 15 different products like FIBC, Woven Sack Bags, Tarpaulin, Liners, Garbage Bags, etc.
- Product diversification helps in catering to different markets as per their demands



## Quality Testing, Export Compliant

- The company focuses on quality and customer satisfaction to maintain long term relationship and to procure repeat orders
- It adheres to a robust quality testing mechanism employing techniques like Tensile testing, UV testing, Rig testing (safe working load)
- The quality testing methodologies and the facilities are compliant to ISO 9001:2015



## Strong Industry Relations

- Industry relations with the end users offers a ready market
- The company supplies to various industries like agriculture, construction, food, bulk packaging, chemical, cement and now has a dedicated food grade facility in the new SEZ Unit



## Worldwide Presence

- The company has established itself in various markets across the globe like Israel, Europe, USA, Latin America
- It has over 40 clients across 25+ countries

# BUSINESS OVERVIEW

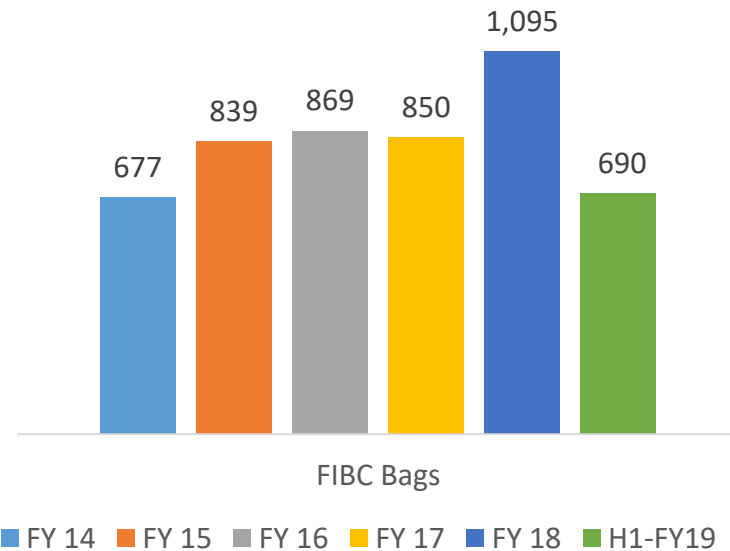




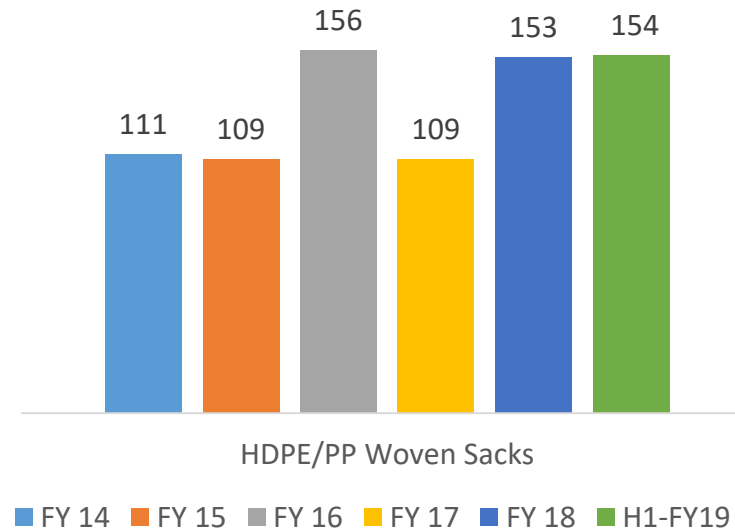
- COMSYN has about 15 packaging products like FIBC (Flexible Intermediate Bulk Container), Asbestos Bags, Container Bags, Garden Bags, Waste Bags, Tarpaulin Tarps, BOPP Bags, Woven Sacks/Bags, PP Fabric, Ground covers, Spiral Tubing and Box Bags.
- The company has ISO compliant manufacturing processes and follows stringent quality controls to maintain the quality of their products.
- The packaging business has neared to double and has registered at a 5-Year CAGR of ~14%.
- The export revenue grew by 23% YoY in FY18 and the top five countries COMSYN exports to contributes ~48% of the company’s total revenue.
- The products find its application in various industries like food, chemical, pharma, cement, infrastructure, waste management, agriculture, horticulture, floriculture, alcohol, transportation, asbestos handling, etc.

## Revenue Break-up of Key products (INR Mn)

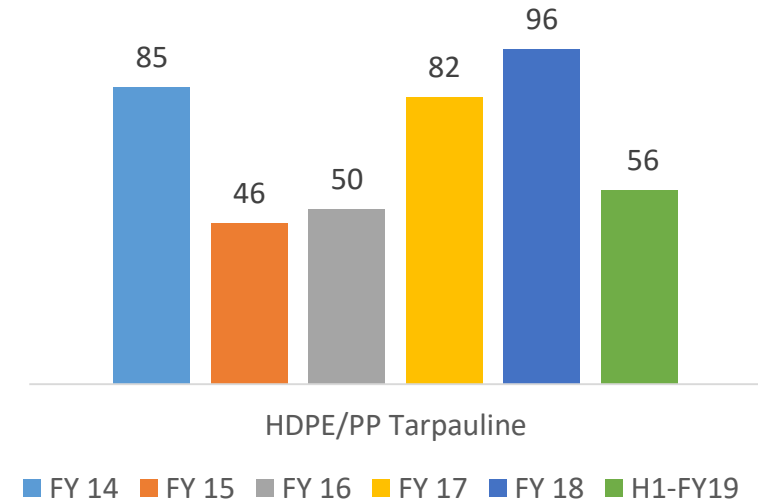
### FIBC Bags



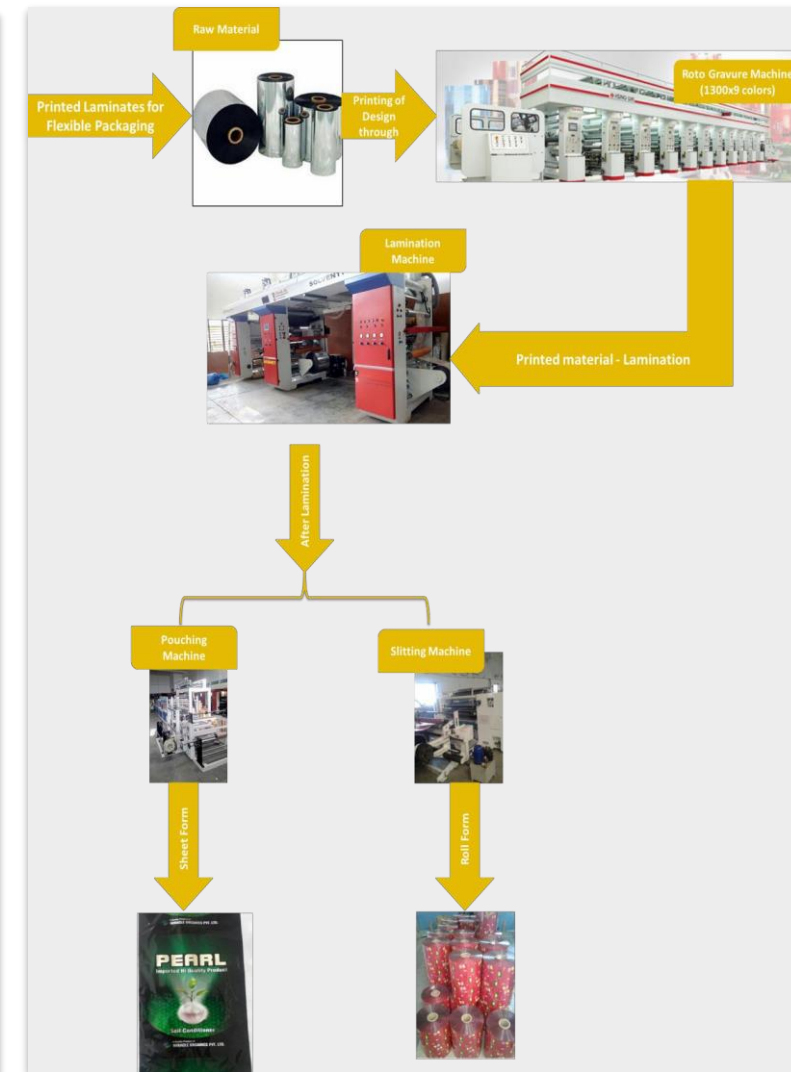
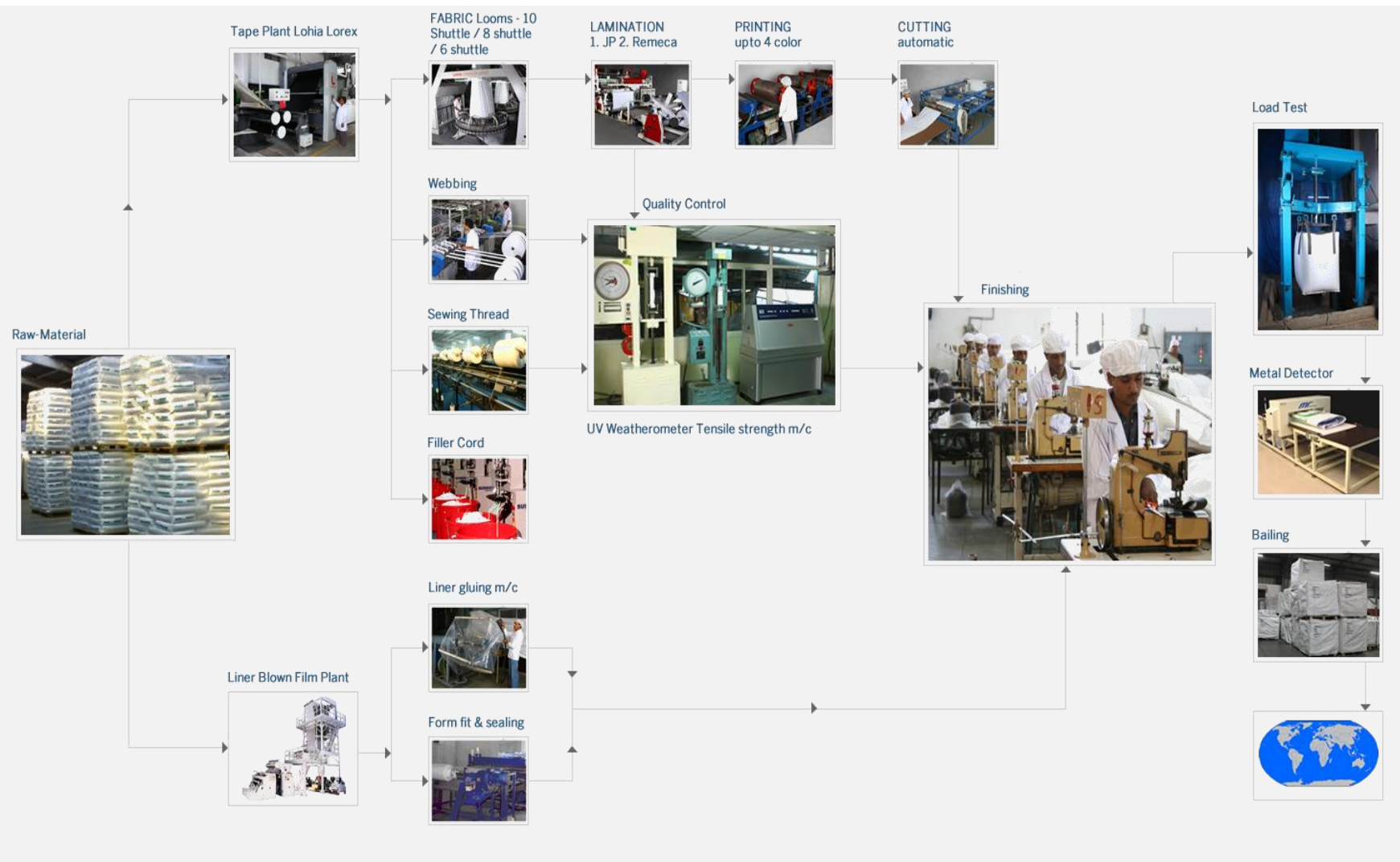
### HDPE/PP Woven Sacks



### HDPE/PP Tarpaulin



# PROCESS FLOW CHART



## Online Inspection Stage

Experienced quality teams supervise the production line and have the authority to stop production and report the matter to QA-Head who in turn has direct access to the Director for immediate actions.



IS 15351



CM/L-8200007799 (GEO MEMBRANE)

IS 7903



CM/L-3289570 (HDPE TARPULIN)

## Final Inspection Stage

Randomly selected finished bag of each bale/pallet are meticulously inspected by a third party inspector in comparison with the customer specification sheet. If there is any deviation then the whole bale is checked.



- All the tests equipments are as per ISO 21898 standards.
- “Tiger” Brand Tarpaulin has ISI Certification (IS-7903-2011) from Bureau of Indian Standards.
- Pond Liner has ISI Certification (IS-15351-2015) from Bureau of Indian Standards.
- ISO-22000:2005 certification for Manufacture and supply of HDPE/ PP Woven Bags/ Flexible Intermediate Bulk Containers (FIBC) and Fabric for Domestic and Export Markets
- BRC Global Standard for Packaging and Packaging Materials
- UN Approved Tarpaulin

## Tensile Testing



Test of strength and elongation of tape, fabric, webbing and sewing yarn

## UV Testing



Every batch of fabric and the yarn produced undergoes a U V Resistance test in QUV accelerated weathering tester. QUV tester reproduces the damage caused by sun light, rain and dew by exposing material to alternating cycles of light and moisture at a controlled elevated temperature

## Rig Testing



First bag and randomly selected bags from daily lot is Load tested in Rig Test machine. The bags get tested for 5 or 6 or 8 times of its safe working load (SWL) by going through Cyclic Top Lift Test + Load to Failure. This is the most important test to ensure that bag can be safely used and gives confidence to the buyer/user.

## Metal Detector



It can detect metal up to size of 2.5 mm – 3.5 mm.

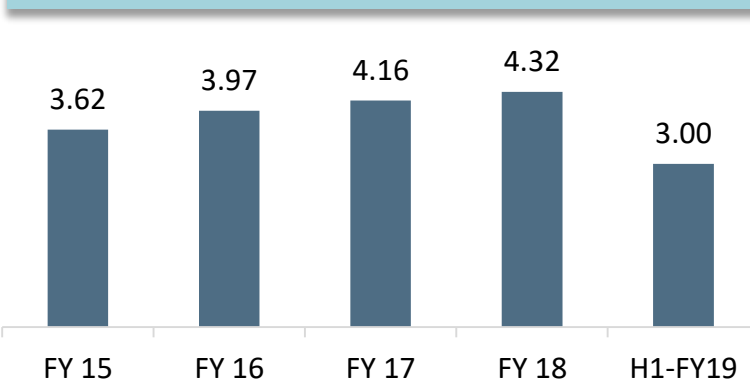
# FIBC (Flexible Intermediates Bulk Containers)

- FIBC bag is a customized product.
- FIBC bags are formed through the processing of the PP granules (thermoplastic polymer). Bag can also be laminated and printed based on the requirements of the customers. The loops of the bags are stitched as per the design and strength.
- Bags undergo a test and quality check via the process of dropping and weight lifting to test whether it has the ability to hold the weight.
- FIBC bags are manufactured at unit I, II and SEZ unit facility.

## Advantages

- Convenient material handling solution and reduces labour dependency
- Integral looping which eliminates the use of pallets
- Cost effective and minimizes wastage of products being filled
- Can be customized and offers variety of filling, discharging and lifting facilities
- Can carry up to 1,000 times of its own weight, heavy goods, loose packs
- Do not require further packaging
- UV Resistant
- Reusable and easily recyclable
- Convenient to store and handle when empty

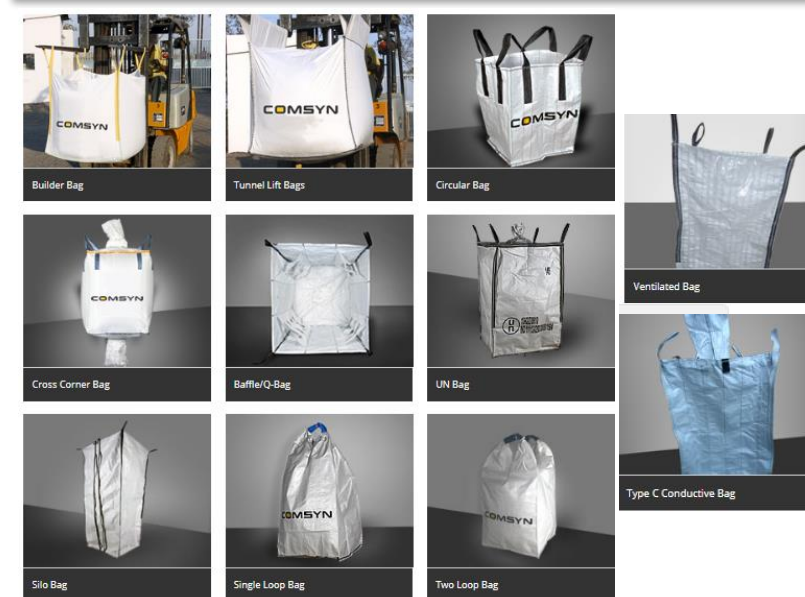
## FIBC Sales in Volume (Nos. in Mn)



## Types of Loops



## Types of FIBC Bags



## Specifications

- Price Range  
Export market: \$ 1.50 to \$ 18.00  
Domestic market: INR 150 to INR 1250
- Capacity range: 500 kgs - 2 MT

## Application

- Construction Industry
- Agriculture industry
- Sugar Industry
- Chemical Industry
- Metal Industry
- Food Industry
- Waste Management
- Pharma Industry

- COMSYN has the capability to manufacture tarpaulins and plastic sheeting of the highest standards that can meet or exceed the specifications established by the International Technical Committee (ITC), a consortium made up of members from the UNHCR, UNICEF, ICRC, IFRC, OXFAM, MSF and other NGOs.
- It is a customized product manufactured as three layer and five-layer tarpaulin. Customizations are offered in length, width, colour, thickness, etc., of the tarpaulin and the product can be as long as the customer demands.
- Sold under the brand name —TIGER TARPAULIN which is registered with the Registrar of Trademark.



## Application

- For sheltering : trucks/wagons, ships, buildings, open storage material, green houses.
- For Covering : Lumber Cover

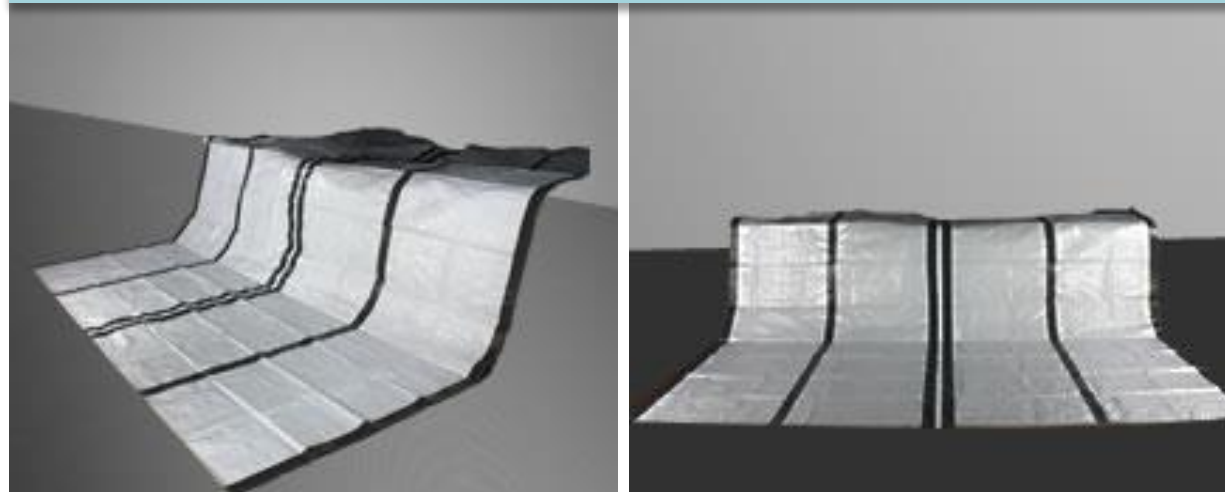
## Advantages

- Water Resistant
- Grains Storage
- Protects from sunlight
- Prevents from damages
- Flexible cover
- Rust proof

## Specifications

- Brand: Tiger

## UN/UNICEF Approved Tarpaulin



UN approved tarpaulins feature reinforcement strips / grey bands that are 60% stronger than eyelets that allow the user to create customized fixing points appropriate as per application.



## ASBESTOS BAG

Handling and disposing of asbestos is a precarious process due to its deadly consequences. Fibrous asbestos waste is encapsulated in bags and then made to undergo solidification and stabilization before disposing off the stabilized mass.

### Application

- As a lining for other products
- As a general building board
- Building Construction

### Advantages

- It is heat resistant
- Provides insulation
- Useful for partitioning
- Resistant moisture movement.



## CONTAINER BAG

Container bags are designed for transportation of large quantities of flowable materials. Container bags meet the standards laid down by ISO with respect to 20 ft. and 40 ft.

- Flow able Material
- Bulk packaging

- Optimal protection
- Cost effective
- Can be customised as per user needs.
- Convenience in discharging
- Light weight
- Easy to install/ use



Container Bag (Outer View)

## GARDEN BAGS

Also known as kerbside bag. These bags are used for waste and residues from individuals and property.

- Garden cutting waste collection
- Waste management

- Easy to handle
- Convenient for collecting and disposing waste
- Customised to shapes, loops, colours as per the client's requirement
- Velcro for closing top flap



## BOX BAGS

Box bags are used in various applications for the purpose of transporting finished goods from one place to another. These box bags can be in different sizes and patterns depending on the requirement of the customers. These box bags can be laminated or un-laminated.

- Transporting finished goods
- Textile Industry
- Alcohol industry
- Used for second hand clothes transportation

- Can be customised
- Easy to handle
- Gives enhanced protection with corrugated box packaging



Box bag with top lid

Box Bags





BOPP laminated PP woven bags features high quality graphics and is ideally suited to the retail market. The BOPP film used for making bags range from 15 to 50 microns.

### Application

- Packaging of pet food, sugar, grains, seeds, minerals, salt and chemicals
- Flexible packaging, packaging, label & Print finishing

### Advantages

- Water resistant
- High tensile strength
- Available in various dimensions, colours and types, size
- Better appearance as a marketing potential



It offers a convenient and practical solution for all types of waste removal requirements – debris, garden waste, demolition waste, construction waste and household junks.

- Alternative to steel skip bins

- Convenient for collecting and disposing waste
- Available in various sizes, colours, density and dimensions
- 100% recyclable
- Easy to handle
- Easy to dispose



The major raw materials used in the manufacturing of woven sacks are HDPE or PP granules which has the capacity to hold heavy materials. HDPE refers to High Density Polyethylene which has replaced ancient tradition of using jute bags.

- Construction Industry
- Fertilizer Industry
- Food grain & seeds Industry
- Sugar Industry
- Oilseeds Industry
- Chemical Industry
- Pharma Industry
- Bale covers
- Geo – textile
- Salt Industry, etc.

- Can be customised
- Strong and durable
- Highly durable
- Cheaper form of packaging



## GROUND COVERS

Ground Cover (weed barrier, conservation fabric or weed block) is an engineered black woven polypropylene geotextile fabric. The width is in the range of 1 meter to 5 meter and the quality of its products may be 70 gsm to 400 gsm.

### Application

- Agriculture
- Horticulture
- Floriculture
- Construction
- Infrastructure

### Advantages

- Endure extended periods of sunlight
- Resist insect and wildlife damage
- Allow water penetration
- Protects from weed
- Gives more strength and protection to roofs
- Extra protection to the material inside



## POND LINERS

A pond liner is an impermeable geomembrane used for water retention, including the lining of lakes, garden ponds and artificial streams in parks and gardens.

- Agriculture Industry
- Lining of water bodies
- Sewage
- Fish Pond

- Enables water retention
- Easy to install
- Better water management



## MULCH FILMS

Mulch films are used to modify soil temperature, limit weed growth, prevent moisture loss, and improve crop yield and porosity. They have a range of 25 to 100 microns.

- Agriculture
- Horticulture
- Floriculture

- Improved crop quality
- Water retention
- Minimization of weed spread
- Soil temperature control
- Soil disinfection before sowing





## SPIRAL TUBING

Spiral tubing is just like a roll cover that is used to cover any kind of roll. It has its mouth open which can be closed after inputting the raw material. To close the mouth of the spiral tube there is a strap which if pulled will close the mouth. The cloth cylinder of the spiral tube is sewn edge-to-offset edge at 45 degrees, creating a bias which allows the tube to stretch and return when pulled from the ends. The ability to stretch open, and then close tightly around the contents gives woven spiral-sewn tubing a wide range of packaging applications.

### Application

- It is used in packaging of:
- Rolled carpets and rugs
  - Rubber hose
  - Rolled textiles
  - Flag and lighting poles
  - Baled textiles waste
  - Rolled roofing
  - Conveyor Belting

### Advantages

- Durability
- Size Flexibility – 30 cm to 152 cm
- Extra protection to the material inside



Spiral Tubing



Spiral Tubing



## PP Fabric / HDPE Fabric

The company manufactures flat / circular PP and HDPE fabric. The fabric is manufactured through processing of PP granules and is available in many variants as per user needs.

It can be converted into:

- Sacks / Bags
- FIBC
- Tarpaulin
- Lumber Cover
- Fumigation Cover

- Water resistant
- High tensile strength
- UV protection



## PRINTED LAMINATES FOR FLEXIBLE PACKAGING

These are in roll or pouch form. The design and graphics differs as per the client's specification.

- Water resistant
- High tensile strength
- UV protection

- Increases durability
- customised



# INDUSTRY OVERVIEW





## Global Plastic Industry



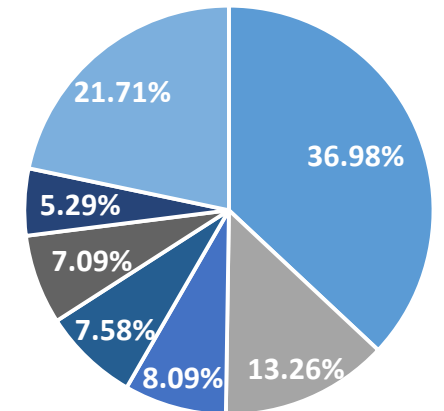
- The global packaging industry is USD 700 Bn in size and is expected to be over USD 1 Tn by 2020, while in India the industry size is placed at USD 32 Bn and is expected to reach USD 73 Bn by FY20 (18% CAGR).
- Sales of packaging are concentrated in Asia and accounted for 37% of the total in value terms as of 2015. It accounted for 23% North America (NA), 22% in Western Europe, 6% in Eastern Europe, 5% in South and Central America, 3% in the Middle East, while Africa and Australasia each having a 2% share.

## Indian Plastic Industry



- The Indian Plastic Industry is growing rapidly spanning more than 2,000 exporters. The industry comprises of about 30,000 processing units of which more than 85% is contributed by the small and medium-sized enterprises. **India is ready to have 18 plastic parks and the Government will be investing INR 40 Cr (USD 6.2 Mn) to increase the domestic production of plastics.**
- The Plastic Industry in India produces raw materials, flexible, rigid plastic products that caters a wide range of industries like packaging, automotive components, pipes and fittings, medical and pharmaceutical, electrical components, FMCG, etc.
- Indian export market for plastic products have increased from USD 7557.68 Mn in 2016-17 to USD 8850.18 Mn in 2017-18\*. The major importers are USA, China, UAE, Italy, Germany, Turkey, UK, Bangladesh, Nepal, etc.
- The Indian exports for plastic packaging grew at 12.50% YoY to USD 670.75 Mn.
- As per the recent market study by Technavio, the global flexible intermediate bulk container (FIBC) market size is projected to at ~813.5 Mn units by 2021, over the period 2017- 2021.
- **Total world market for FIBC bags stands approx. at 7.5 MMT.**

## Item wise composition of Indian Exports (%)



- Raw Materials
- Plastic Sheets, Films, Plates Etc
- Woven Sacks/Fibc
- Packaging Items
- Other Moulded & Extruded Items
- All Types Of Optical Items
- Others\*

Source : Indian Plastics Industry, IBEF; The Plastics Export Promotion Council; Global Flexible Intermediate Bulk Container Market 2017-2021, Technavio; FIBC Conductive Bags Market - Global Industry Analysis, Size, Share, Growth, Trends, and Forecast 2017 – 2025, Transparency Market Research

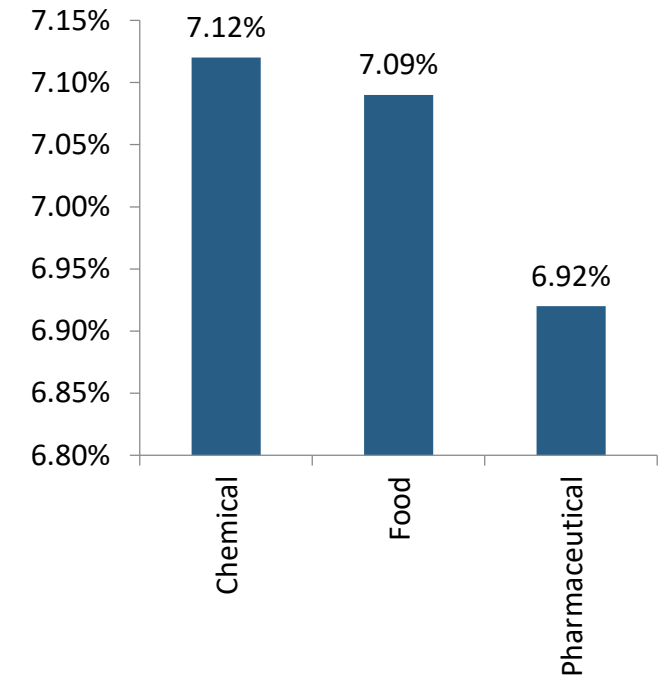
Note: The figures mentioned for the year 2017-18 are on provisional basis.

\*Others include Human Hair, Writing Instruments, Houseware, Laminates, Medical Disposable, Pipes, Tubes, Hoses, Leathercloth, Ropes, Twines, Cordage, Floorcoverings, Self Adhesive Sheets/Films, Brushes (All Kinds), Stopper, Closures, Nets (Including Fishnets), Monofilaments, Travelware, Electrical Items, Stationery/Office School, Photo Films, Tarpaulins.



1. The global flexible intermediate bulk container (FIBC) market size is projected to grow to 813.5 million units by 2021.
2. Growing steadily and taking significant strides since early 2000, the Indian FIBC industry has demonstrated its excellence to become one of the largest manufacturers and exporters in the world.
3. FIBC gained prominence in the Indian packaging industry during the last decade and registered good growth on account of growing export of minerals, chemicals and polymer products which uses FIBC for bulk packaging.
4. The export of FIBC has increased consistently and at a higher rate when compared with other flexible packaging products.
5. Production cuts by major FIBC producing regions such as Turkey, European countries and USA due to elevated cost of production presented an opportunity for India, which is a low cost production centre. The Indian FIBC industry is growing rapidly and has overtaken Turkey to become the world's second largest producer after China.
6. It has been observed that the growth of the industries including food and horticulture due to the increase in production and trade of horticulture products and chemicals, have boosted the demand for flexible bulk packaging.
7. Additionally, the low-cost of shale gas, that is used as a major feedstock for the manufacturing chemicals, is inducing players in the chemical and fertilizer sectors to enhance the production of chemicals, which also increases the demand for FIBC bags.
8. Moreover, the increased need to reduce the overall weight of bulk packaging and transporting materials will also drive the demand for FIBC containers in several other industrials sectors such as construction and boost its market growth in the coming years.
9. One of the major trends that will gain traction in the FIBC containers market in the coming years is the usage of bio-based raw materials. The increased awareness towards the usage of synthetic plastics will induce manufacturers to develop eco-friendly plastics which are easy to recycle.
10. FIBC manufacturers, in turn, boost the demand for FIBC bags.

## End User CAGR 2016-2021



Source: Indian Plastics Industry, IBEF; The Plastics Export Promotion Council; Global Flexible Intermediate Bulk Container Market 2017-2021, Technavio; FIBC Conductive Bags Market - Global Industry Analysis, Size, Share, Growth, Trends, and Forecast 2017 – 2025, Transparency Market Research

Note: The figures mentioned are for the year 2017-18 on provisional basis.



## Low usage of FIBC in bulk packaging in domestic market

Inherent advantages of FIBC include:

- Lower labour and packaging cost
- Space management
- Product durability
- Easy discharge resulting in significant savings in packaging cost of the product
- Lightweight, user-friendly, sustainable and enhanced packaging options

## Investment incentive eligibility under Technology Up-gradation Fund Scheme (TUFS) and Merchandise Export from India (MEIS Scheme)

Government initiatives include:

- FIBC is covered under the credit linked capital subsidy of 10% of eligible capital expenditure and 5% credit linked interest subsidy under TUFS of Ministry of Textile, Government of India.
- The Ministry of Commerce includes FIBC under its MEIS under which the companies would be entitled for Duty Credit Scrip equivalent to 4% of FOB value of exports.
- The introduction of special packages of industrial incentives to maintain the enabling environment for ongoing industrial development in the state.
- Impetus on increasing exports by the government provides an enormous opportunity to the export-oriented Indian FIBC manufacturers.

## Cost efficiency and ability to meet tailor-made requirements

- The capability to manufacture products according to the customers' behest while maintaining sustainability, aesthetic display and convenience.
- The organized players with a good marketing network in FIBC industry have an opportunity to establish their foothold in key markets where production outruns the demand and extend their geographical reach to tap latent demand in developing countries.

## Conclusion

The FIBC industry has the potential to maintain positive growth through demand emanating from international as well as domestic industries. In the medium term, the increasing demand for Indian FIBC from major destination markets, viz, the USA and Europe and stable foreign exchange rates albeit increasing competition among the Indian manufacturers, is expected to retain the demand momentum. Entities with strong foothold in the international market with value added product portfolio, better working capital management and sound foreign exchange fluctuation risk management would be in a position to earn higher margins.

Source-Flexible Intermediate Bulk Container –Indian players to benefit from changing preference, Care Ratings - [www.careratings.com](http://www.careratings.com)

# STRATEGIC OVERVIEW





# FINANCIAL OVERVIEW



# HISTORICAL INCOME STATEMENT

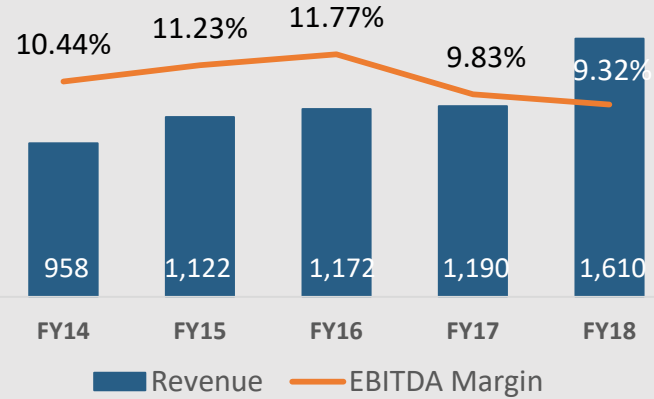
PARTICULARS (INR Mn)	FY15	FY16	FY17	FY18	H1-FY19
<b>Operational Revenue</b>	<b>1,122</b>	<b>1,172</b>	<b>1,190</b>	<b>1,610</b>	<b>978</b>
Total Expenses	996	1,034	1,073	1,460	860
<b>EBITDA</b>	<b>126</b>	<b>138</b>	<b>117</b>	<b>150</b>	<b>118</b>
<b>EBITDA Margins (%)</b>	<b>11.23%</b>	<b>11.77%</b>	<b>9.83%</b>	<b>9.32%</b>	<b>12.06%</b>
Other Income	9	6	20	6	2
Depreciation	26	31	36	40	28
Finance Cost	35	32	25	26	24
<b>PBT</b>	<b>74</b>	<b>81</b>	<b>76</b>	<b>90</b>	<b>68</b>
Tax	21	22	23	28	18
<b>PAT</b>	<b>53</b>	<b>59</b>	<b>53</b>	<b>62</b>	<b>50</b>
<b>PAT Margins (%)</b>	<b>4.72%</b>	<b>5.03%</b>	<b>4.45%</b>	<b>3.85%</b>	<b>5.11%</b>
Diluted EPS (INR)	6.15	6.87	4.87	5.21	4.20

# BALANCE SHEET

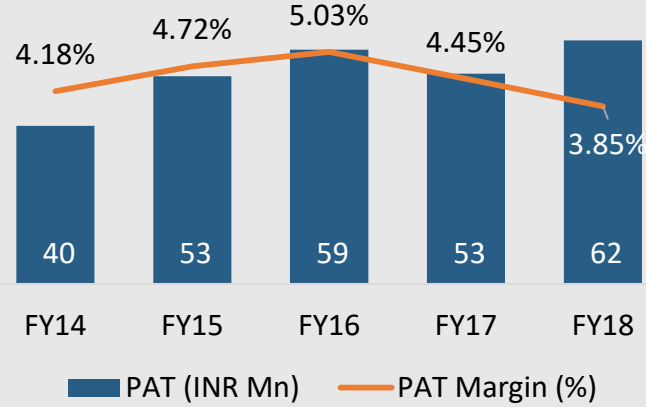
PARTICULARS (INR Mn)	FY17	FY18	H1-FY19	PARTICULARS (INR Mn)	FY17	FY18	H1-FY19
<b>EQUITIES &amp; LIABILITIES</b>				<b>ASSETS</b>			
Shareholder Funds				<b>Non-current Assets</b>			
(A) Share Capital	118	118	118	(A) Fixed Assets			
(B) Reserves & Surplus	296	361	410	(i) Tangible assets	347	315	543
(C) Share application money pending allotment	-	-	-	(ii) Capital work-in-progress	10	157	44
<b>Non-current Liabilities</b>				(B) Long-term loans and advances	11	12	12
(A) Long-term Borrowings	54	148	180	(C) Other non-current assets	-	-	-
(B) Deferred Tax Liabilities (Net)	26	29	33				
(C) Long-term provisions	-	-	-	<b>Current Assets</b>			
<b>Current Liabilities</b>				(A) Inventories	219	205	221
(A) Short term Borrowings	194	222	300	(B) Trade Receivables	155	231	320
(B) Trade Payables	89	98	133	(C) Cash & Cash Equivalents	54	54	51
(C) Other Current Liabilities	158	130	155	(D) Short-term loans & advances	133	142	151
(D) Short-term provisions	6	13	13	(E) Other Current Assets	12	3	-
<b>GRAND TOTAL - EQUITIES &amp; LIABILITIES</b>	<b>941</b>	<b>1,119</b>	<b>1,342</b>	<b>GRAND TOTAL – ASSETS</b>	<b>941</b>	<b>1,119</b>	<b>1,342</b>



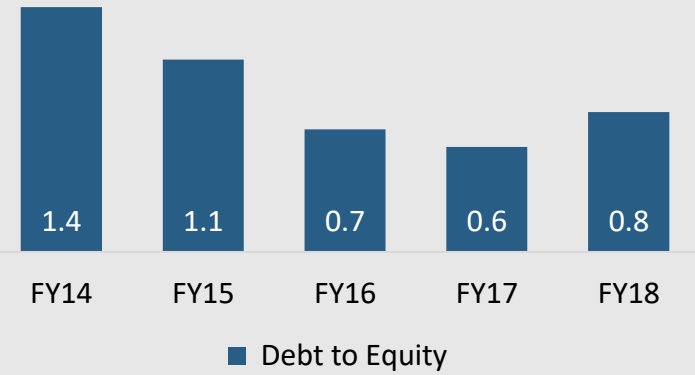
### REVENUE (INR MN) & EBITDA MARGIN (%)



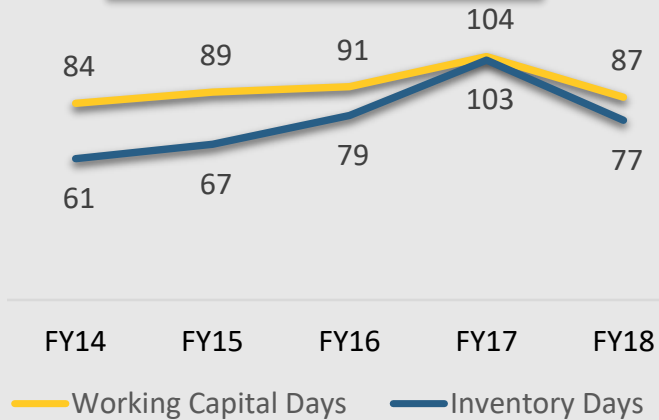
### PAT (INR MN) & PAT MARGIN (%)



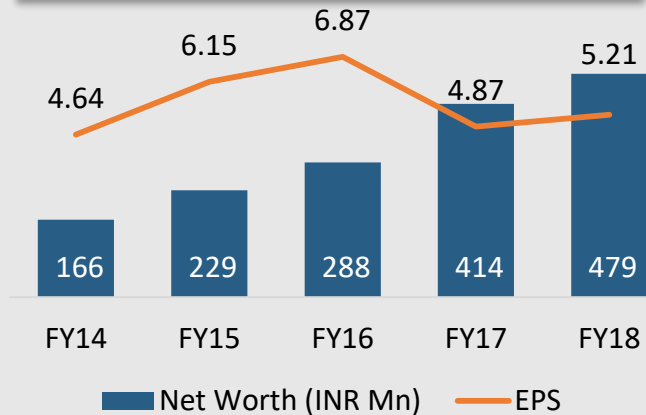
### DEBT TO EQUITY (x)



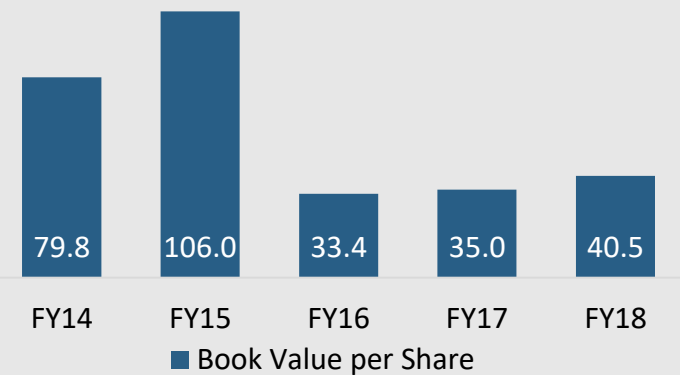
### WORKING CAPITAL CYCLE



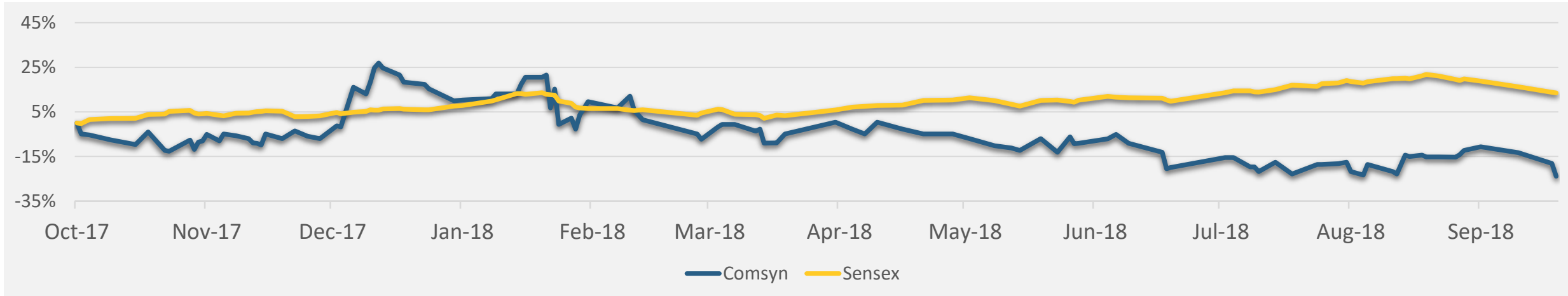
### NET WORTH (INR Mn) AND EPS (INR)



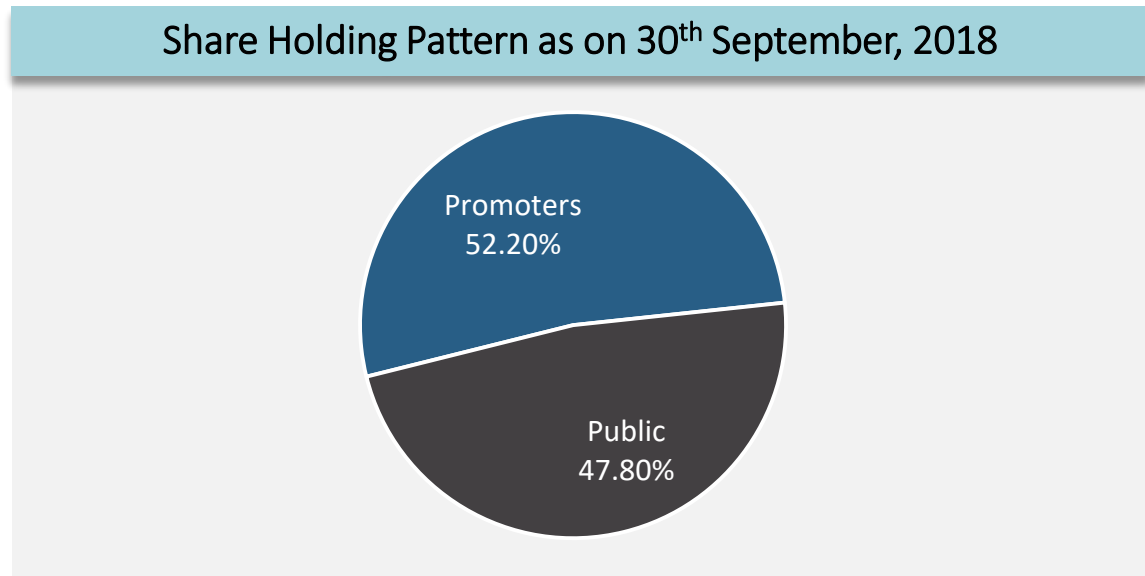
### BOOK VALUE PER SHARE (INR)



## Share Price Data as on 30<sup>th</sup> September, 2018



Price Data as on 30 <sup>th</sup> September, 2018	INR
Face Vaue	10.00
CMP	36.00
52 Week H/L	62.00/ 35.15
Market Cap (INR Mn)	425.4
No. of Share outstanding (Mn)	11.8
1 Year Avg. Trading Volume ('000)	8.97



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THANK YOU

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