

Flexituff International Ltd.(FIL)

Sector: Packaging/Technical Textile

 15th June, 2015

In the right place at the right time; initiate with BUY

We initiate coverage on Flexituff International (FIL) with a BUY rating and a price target of Rs. 359 implying 58% upside. FIL is the second largest FIBC (Flexible intermediate bulk container) manufacturing company in the world and the largest FIBC and Geotextile manufacturer in India. We expect FIL to drive its revenue/EBITDA CAGR at 17%/27% respectively over FY15-18e due to its widespread product portfolio which is situated in high growth industry and high quality products with USFDA, BRC and ISO approvals.

Quality; The utmost priority: Flexituff services some of the largest downstream customers at domestic and global level who select vendors on the basis of hygiene and delivery standards. The Company's SEZ unit operates in the world's largest 'cleanroom' environment (dust and microorganism-free), in line with stringent quality requirements of food and pharmaceutical industries of developed countries. We believe this to be the reason that over 80% of the Company's FIBC customers have been associated with FIL for over five years and this would be one of the foremost reasons for high volume growth.

Stringent USFDA, ISO and BRC accreditations: ~65% of the Company's product mix comprised food and pharma grade FIBCs, enjoying superior realisations over the general variety. The Company is among the few FIBC companies to possess the prestigious USFDA, BRC and ISO Food Grade certifications, enabling it to meet the growing needs of food companies globally.

Impact of Growing Infrastructure & Retail Sector: Investments for infrastructure sector is projected at ~US\$ 1000 bn from 2012-17. One of the widest applications of geotextiles over the last decade has been in the infrastructure sector. The Indian retail market is expected to grow at a CAGR of ~13%. Reverse-printed BOPP-woven bags find extensive usage in the packaging. We believe that FIL, being the largest geotextile and BOPP bags manufacturer in India, will get the maximum opportunity from the much needed infrastructure developments in India and extensive growth in the organized retail sector.

A Global Player with Customers from the Fortune 500 list: FIL exports products to 55 countries, the highest among global FIBC manufacturers, contributing to almost 70% of its total sales. The result is a multi-continental insight into customer needs and the ability to seamlessly deal with the global order flow to take advantage of every possible demand upturn. The Company works with as many as 100 of the Fortune 500 companies. Over 95% of its revenues are derived from advanced economies. Also, FIL has more than 90% repeat customers.

Valuation: We expect Flexituff's revenue/earnings to grow strongly over FY15-18e led by a wide range of product portfolio in high growth industry, high quality products meeting the requirements of stringent organizations like the USFDA, BRC and ISO and an affluent customer base. At CMP of Rs. 227, the stock trades at a PE of 24.8/9.5/6.3x of FY16/17/18e. We value the company at PE of 15x to arrive at our target price of Rs.359 (58% upside).

Exhibit 1: Financial summary (Rs mn)

Year end: March	FY13	FY14	FY15	FY16e	FY17e	FY18e
Net sales	9,655	10,924	11,772	13,673	16,010	18,953
Growth (%)	30.8	13.2	7.8	16.1	17.1	18.4
PAT	259	183	188	228	596	896
Adjusted PAT	259	283	188	228	596	896
EPS (Rs)	10	11	8	9	24	36
Growth (%)	-31.5	9.4	-33.6	21.1	161.6	50.3
P/E(x)	21.1	19.8	33.0	24.8	9.5	6.3
ROE (%)	9.0	8.4	5.1	5.8	13.7	17.4
ROCE (%)	11.9	8.9	14.2	7.9	10.8	12.8
Net debt/equity (x)	1.1	1.3	1.5	1.5	1.2	1.0
P/Bv (x)	1.6	1.5	1.6	1.5	1.3	1.1

Source: Company, BOBCAPSe

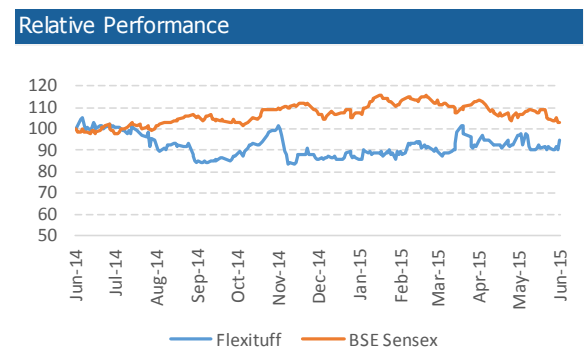
Price	Price Target	Up/Down (%)
Rs. 227	Rs. 359	58%

Bloomberg Code	Reuters Code
FLEXI IN	FLEI.BO

Share Holding (%)	As on 31st Mar. 2015
Promoters	32.8
FII	9.9
DIIs	6.43

Stock Data	
Nifty	7,983
Sensex	26,425
52 week high/low	290/202
Market Cap (Rs. bn)	5.7
Face Value	Rs. 10

Price performance (%)	1M	3M	6M	1Y
Absolute	-2.5	5.3	9.9	-5.4
Relative to Sensex	-0.8	14.0	13.3	-8.7



Company Profile

Flexituff International Ltd is the second largest FIBC (Flexible intermediate bulk container) manufacturing company in the world and the largest FIBC and Geo-Textile manufacturer in India. It also manufactures Reverse Printed BOPP (Biaxially Oriented Polypropylene) Woven Bags (~50% market share in India), Special PP (Polypropylene) Bags including Leno Bags, Polymer Compounds and Drippers. The company manufactures these products at their three manufacturing units located in Pithampur (MP) and Kashipur (Uttarakhand). FIL has the world's largest 'cleanroom'. The Company is among the few FIBC companies to possess USFDA, BRC (British Retail Consortium Certificate) and ISO Food Grade certifications. It owns the largest FIBC manufacturing capacity in the world.

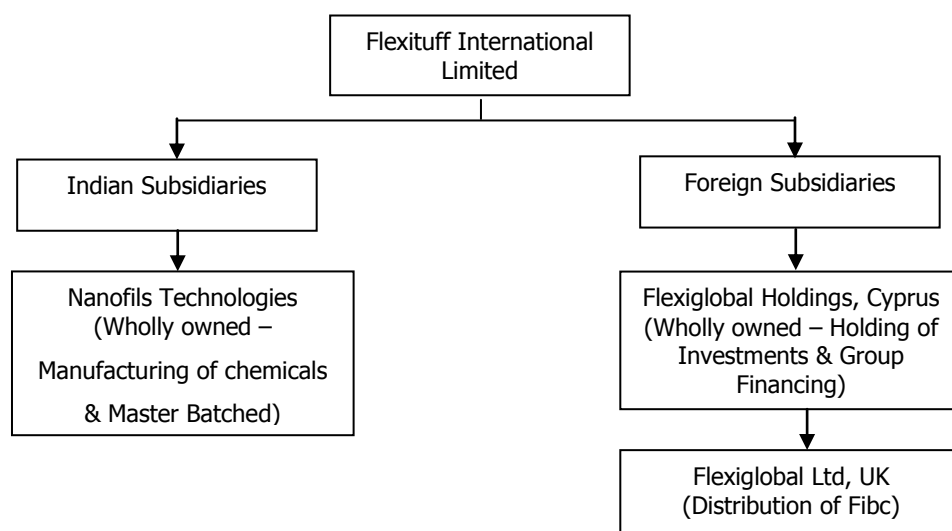
It also has a Research and Development centre at Kashipur which is engaged in product development leading to high margin import replacement products..

Flexituff has more than 6000 highly skilled employees, of which almost all are under the payroll of the company.

The company is a major exporter of FIBC and woven products from India and have been receiving the Top Exporter Award from the PLEXCONCIL, Ministry of Commerce from 2005-06 to 2011-12 every year. They export to more than 55 countries across the globe and are present in 4 continents with major thrust of exports being to USA and Europe.

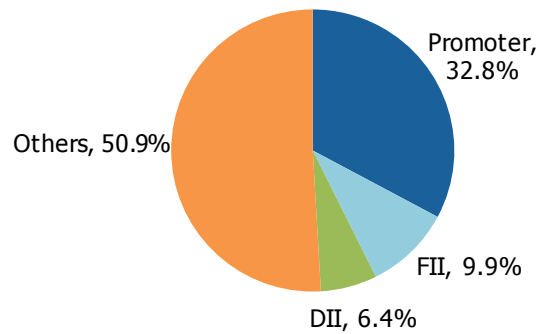
Also, Flexituff is not a stressed asset and does not have any history of defaults or re-structuring.

Exhibit 2: Company structure



Source: Company, BOBCAPS

Exhibit 3: Shareholding pattern



Source: Company, BOBCAPS

Exhibit 4: Management details

Mr. Saurabh Kalani	Wholetime Director
Mr. Mahesh Sharma	CEO
Mr. Ajay Mundra	CFO
CS D.K. Sharma	Executive Director

Source: Company, BOBCAPS

Exhibit 5: Product Portfolio

Category	Applications	Industries	Benefits
FIBC	For bulk packaging and transportation	Chemicals, fertilizers, pharmaceuticals, polymers, cement, minerals etc.	Less cost of packaging, faster loading and unloading, minimizing spillage and pilferage losses. Carrying capacity: 0.5 MT-2MT.
Geo-Textile Fabric / Products	For prevention of soil erosion and separation, landslides, river banks, hill slope stabilization, flood control, river cleaning.	Infrastructure projects such as roads, driveways, embankments, drainage ditches, river management.	Features: separation, reinforcement, filtration. Benefit: Less time required for excavating, more durability, strengthening of edges.
Technical Textile Fabric - Filter fabric, leather substrates, lining and carpets, asphalt fabric.	Air and water filtration, strengthening, cushioning, ground covering, water-proofing.	Automobile, cement, power plants, shoe industry, garment and furniture, industrial and home applications.	Cost-effective niche industrial solutions.
Reverse-printed BOPP woven bags	For packaging	Dry chemicals, fertilizers, agro products, retail industry, etc.	Printed BOPP provides better aesthetic appeal while retaining the strength for retail product. Carrying capacity: 5 – 50 kg.
Polymer Compound	For producing filler compounds and master batch compounds.	Key end user industries – automobiles, appliances, wires and cables etc.	Part of backward integration benefiting the company in maintaining the quality
Injection Moulded Articles (Dripper)	Dripper is used in drip irrigation and Pallets are used for storage and transportation	Agricultural/industrial etc	Dripper is used in drip irrigation which saves water, electricity, cultivation cost etc. Pallets save wood and are eco friendly & safe.

Source: Company, BOBCAPS

Industry Outlook

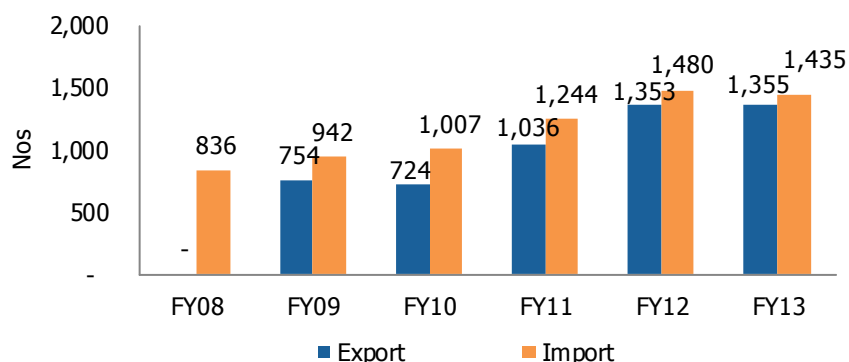
Technical Textiles

Technical Textiles is a highly technical sector which is steadily gaining ground in India. Technical textiles are functional fabrics that have applications across various industries including automobiles, civil engineering & construction, packaging, agriculture, healthcare, industrial safety, personal protection, sportswear and sports equipments, etc.

Technical Textile products derive their demand from development and industrialization in a country. Given the large scale at which emerging nations are industrialising, the market for technical textiles can only be expected to grow in tandem with the industrial growth in different parts of the world. In India, Technical Textile sector has registered CAGR of ~11% during 2007-12 and the technical textile market size is expected to grow at CAGR of ~20% and reach Rs. 1,58,540 crore by 2016-17 from the market size of Rs 70,151 Crore in 2012-13.

Globally, the technical textiles contribute to about 27% of textile industry, in some of the western countries its share is even 50% while in India it is merely 11%.

Exhibit 6: Product Portfolio



Source: Industry, BOBCAPS

While India exports nearly 50% of all its production of technical textiles, the increase of the country's exports at CAGR of 16.7% between 2007-08 and 2012-13 indicates encouraging global demand for India's technical textile products. Furthermore, with CAGR of 11.4% in imports between 2007-08 and 2012-13 alone, Indian consumers have demonstrated significant demand for technical textiles products.

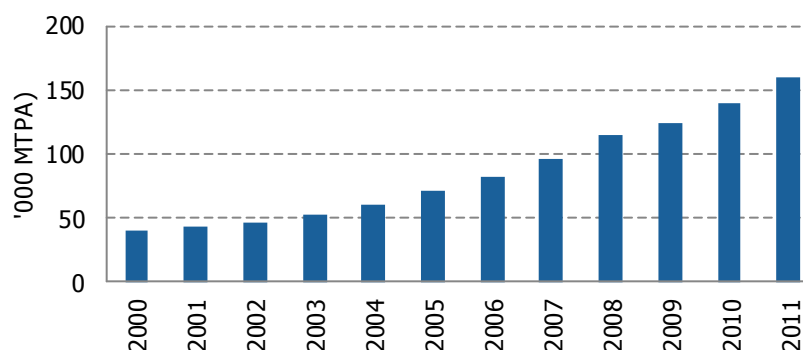
Geo-Textile

The global geotextiles market was valued at US\$ 3.2 bn in 2011 and is expected to reach US\$ 6.4 bn in 2018, growing at a CAGR of 10.3% from 2012-18. Nonwoven is the major type of geotextiles accounting for ~65% of the market in 2013, followed by Woven & other geotextile product types. Geotextiles are a relatively new area in India. Considering the infrastructural development in India in next 10 years, India is going to be one of the largest markets for geo-synthetics and technical fabrics in the world. All the major technical textile companies are focusing on India to get a piece of the share of the market.

FIBC

The Indian FIBC industry is growing rapidly and India has become the world's second largest producer of FIBC. The output of the Indian FIBC industry grew from 40,000 Metric Tonne per Annum (MTPA) in CY2000 to over 160,000 MTPA in CY2011. It is expected that India's FIBC production would double within next 1 to 1½ years.

Exhibit 7: FIBC production in India



Source: Industry, BOBCAPS

During FY14, the exports of FIBC grew by ~77%/43% in value and volume respectively. The share of exports from India grew by ~61%/54% to USA/UK in FY14 respectively, despite the economic slowdown in these developed markets. In the medium-term, the Indian FIBC industry has the potential to maintain positive growth through demand emanating from international as well as domestic industries. In the domestic market, the industry is also envisaged to receive a boost from agriculture, mineral, petrochemical industries and various industrial markets. Internationally, the FIBC industry is estimated to demonstrate firm growth driven by acceptability and increase in usage by the pharmaceutical and food industry.

Reverse-printed BOPP-woven bags

Reverse-printed BOPP-woven bags find extensive usage in the packaging of products marketed in retail chains, supermarkets and commercial establishments. The outlook for this product segment is optimistic given the growing consumerism in India catalysed by a young and working population, urbanisation, rising incomes, favorable demographics and growing brand orientation. The Indian retail market (estimated at US\$520 billion) is expected to grow at a CAGR of 13% to around US\$950 billion by 2018. Correspondingly, organised retail is expected to grow from 7.5% of all retail offtake in India to around 10% by 2018, strengthening the offtake of BOPP-woven bags.

Polymer compound

Compounding has found mass use in the manufacture of different plastic grades - a quick, easy and low-cost alternative over discovering new grades. Driven by the increasing use of plastics in automobiles, consumer packaging and government spending on infrastructure, India's plastics industry is set to double its per capita consumption over five years. India's per capita plastics consumption was estimated at 9.7 kgs in 2012-13, well below the 109 kgs in the US and 45 kgs in China. India's plastics industry is poised to benefit from increasing per capita incomes, consumerism and modernisation, particularly in urban areas. The demand for polymers is expected to jump from 11 million tonnes in 2012-13 to 16.5 million tonnes by 2016-17, resulting in consumption rising at 10.8% CAGR.

Drip irrigation

Drip irrigation is an alternative to flood irrigation; in this, water is applied directly to the root zone of plants in frequent intervals (daily) and precise quantities as per the crop's water requirement. Drip irrigation irrigates more than 600,000 hectares in India, thereby enhancing agricultural yields. There has been a growth in drip irrigation area in the last 15 years to around 3.51 lac hectares, from 40 hectares in 1960. Maharashtra (94,000 hectares), Karnataka (66,000 hectares) and Tamil Nadu (55,000 hectares) are some of the states where large areas have been brought under drip irrigation. The National Committee on Plasticulture Applications in Horticulture (NCPAH), Ministry of Agriculture, Government of India (GOI) estimated 27 million hectares where drip irrigation can be implemented in India.

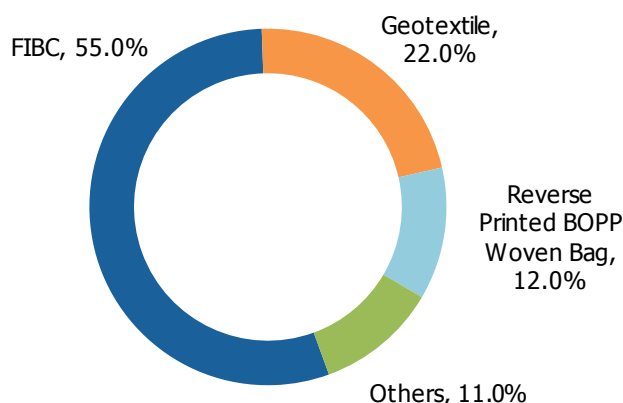
Investment rationale

Widespread Product Portfolio

Flexituff provides technical textiles across multidisciplinary fields with widening applications. Essentially, FIL is a one-stop-shop for bulk industrial packaging needs – retail (BOPP) and industrial (FIBC). More than 50% of FIL’s revenue comes from FIBC, which grew at ~19.8% CAGR over FY11-15.

FIL has increased its product portfolio and is engaged in addressing the needs of the infrastructure (geotextiles), Industrial (Non-woven Carpet/Filter fabric/Lining) and agriculture (dripper and drip irrigation compounds) sector. FIL is using this area of Technical Textiles to fuel its growth for next 3 years and this area is expected to have an equal revenue share as that of FIBC. The Company also manufactures business support products (inks and compounds). We believe that by widening their product portfolio, FIL has not only spread its risks, but has also entered into a rapidly growing industry of geotextiles. Also, we expect its revenue to grow at a CAGR of ~17% over FY15-18e.

Exhibit 8: Product-wise distribution of sales



Source: Company, BOBCAPS

Quality; The utmost priority

Flexituff services some of the largest downstream customers at domestic and global level who select vendors on the basis of hygiene and delivery standards. The Company’s SEZ unit at Pithampur operates in a demanding ‘cleanroom’ environment (dust and microorganism-free), which is the world’s largest cleanroom, in line with stringent quality requirements with respect to the food and pharmaceutical industries of developed countries. This facility is also HACCP-enabled (Hazard Analysis & Critical Control Points). In order to maintain the highest levels of Quality, FIL has created the ‘cleanroom’ environment by constructing its manufacturing unit without any windows and by pumping fresh air into it. We believe this to be the reason that over 80% of the Company’s FIBC customers had been associated with Flexituff for over five years and this would be one of the foremost reasons for high volume growth.

Stringent USFDA, ISO and BRC accreditations

~65% of the Company’s product mix comprises food and pharmaceutical grade FIBCs, enjoying superior realisations over the general variety. The Company is among the few FIBC companies to possess the prestigious USFDA, BRC and ISO Food Grade certifications, enabling it to service the growing needs of food companies globally.

A Global Player with Customers from the Fortune 500 list

FIL exports products to 55 countries, the highest among global FIBC manufacturers, contributing to almost 70% of its total sales. The result is a multi-continental insight into customer needs and the ability to seamlessly deal with the global order flow to take advantage of every possible demand upturn. The Company works with as many as 100 of the Fortune 500 companies. Over 95% of its revenues are derived from advanced economies. Also, FIL has more than 90% return customers.

Exhibit 9: Major clientele

FIBC (Exports)	FIBC (Domestic)	Geo - Textile Fabric & Ground cover	Reverse Printed BOPP Bags (Exports)	Reverse Printed BOPP Bags (Domestic)	Special PP & Leno Bags
B.A.G. Corp, USA	Jindal Power & Steel Ltd	Baobag, France	Lewis Trading Corp., USA	Rajdhani Flour Mills Ltd	National Seeds Corporation Ltd
Himu Rich Pte Ltd	Micro Inks Ltd	Edge Tech,	Langston Companies, Inc., USA	Zuari Rotem Speciality Fertilisers Ltd	Nagarjuna Fertilisers & Chemicals Ltd
Nebig Verppanegen BV, Netherlands	Ashapura Minechem Ltd	Fritz Marketing INC	Volm Companies, Inc., USA	KRBL Ltd	Chambal Fertilizers & Chemicals Ltd
United Bags Inc, USA	Hindustan Unilever Ltd	GNCC Fabrics Pvt Ltd	Sacos Y Empaques Internacionales, Mexico	Kohinoor Foods Ltd	Dhampur Sugar Mills Ltd
Alexander Colquhouns & Sons Pty Ltd, Australia	Ashtech India Pvt Ltd	-	-	Nuziveedu Seeds Ltd	Directorate General of Supplies & Disposals, India
Syntex, Mexico	Wolkem India Ltd	-	-	Indian Potash Ltd	-

Source: Company, BOBCAPS

Corner stone set for expansions

Flexituff has free hold land of ~40 acres, which can be utilized for capacity expansions, whenever required, in order to meet the growing market demand. Further, the assistance of TPG and IFC (International Finance Corporation) would be available in order to finance the expansion plans in the near future. We believe that having set a platform for expansion, FIL will be able to expand rapidly, as and when required.

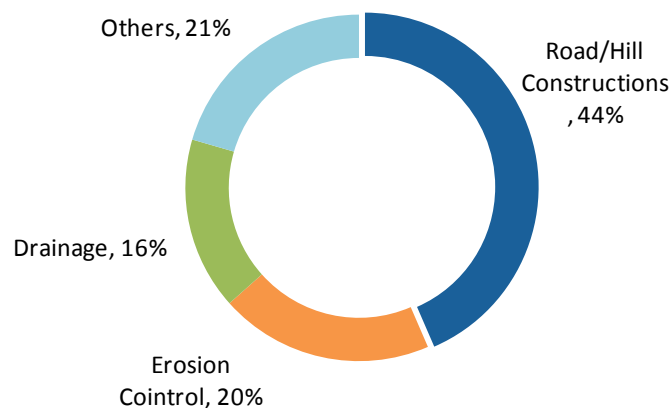
Impact of Growing Infrastructure & Retail Sector

The infrastructure sector of India contributes more than 8% of the country's GDP. The figures are expected to touch ~10% by year 2017. Investments for infrastructure sector is projected at ~US\$ 1000 bn from 2012-17. One of the widest applications of geotextiles over the last decade has been in the infrastructure sector. There is a growing recognition that geotextiles represent the best longterm material option in environment protection for some valid reasons – the material is enduring, it's more than useful alternative to materials like steel which is a steadily depleting resource. Moreover it can be easily recycled; it can be modified for different usages and ensures easy on-site application.

Economic stability in India will boost demand for more roads, railways, highways, bridges, canals and dams, leading to increase in demand for technical textiles (especially geotextiles). As

infrastructure growth drives the country ahead, there would be a growing use of geotextiles. Subsequently, the progress of the country will translate into a growing offtake of geotextiles.

Exhibit 10: Geotextiles market volume share, by application



Source: Company, BOBCAPS

Apart from Infrastructure, the Indian retail market (estimated at US\$520 billion) is expected to grow at a CAGR of ~13% to around US\$950 billion by 2018. Organised retail is expected to grow from 7.5% of all retail offtake in India to ~10% by 2018. Reverse-printed BOPP-woven bags find extensive usage in the packaging of products marketed in retail chains, supermarkets and commercial establishments.

We believe that FIL, being the largest geotextile and reverse-printed BOPP-woven bags manufacturer in India, will get the maximum opportunity from the much needed infrastructure developments in India and extensive growth in the organized retail sector.

FIBC; Scope for further penetration into the Market

Flexituff owns the world’s largest manufacturing capacity for FIBC. The company exports ~95% of total FIBC produced, to the US and European markets. The Indian FIBC industry has the potential to maintain positive growth through demand emanating from international as well as domestic industries. Also, use of FIBC will continue to grow as material handling infrastructure becomes increasingly easier and cost savings are even more readily identifiable over other types of packaging.

Geo-textile; Major driver of growth

While the FIBC business of Flexituff will continue to grow and perform steadily, going forward, geotextile is now going to be the major driver of growth for FIL as the company has some unique competitive edge in this segment.

Through exclusive technological and manufacturing tie-ups with leading American and European companies, Flexituff is now offering globally-proven and patented geo-textile products, manufactured in India, for flood control, river management and hilly terrain stabilization, saving precious foreign currency reserves.

Aligning itself to India’s emerging and rapidly increasing river cleaning requirements, Flexituff has acquired and fine-tuned the break-through technology offering a speedier, cost-efficient and eco-friendly solution. Flexituff’s proactive engagement with authorities in offering and implementing the cutting edge river cleaning solutions is expected to yield rich dividends in coming years.

Fiscal efficiency

The Company selected to commission its manufacturing facilities in the Pithampur (Indore) SEZ and Kashipur (Uttarakhand). These locations are fiscally efficient as it provides tax exemptions and tax holidays to enhance its cost-competitiveness, logistical efficiency and ease of material clearance. Having set their units in SEZ areas and with the current government, FIL should have better opportunities going forward.

Research-oriented

FIL invested more than Rs.153 million in research and product development (including 20,000 square feet R&D centre). The R&D department comprises of Industry Experts, and organizations like IIT's and BTRA (The Bombay Textile Research Association) are also consulted. Also, a 'ground breaking' development could take place in the next 3 years, of which the initial 8 months of success is already seen. This development is taking place under the consultancy of an Ex-Reliance PhD Researcher. According to us, if the development takes due course, then this would provide an add-on USP for the Company.

Key risk

Government Policy: Any changes in government policies related to export taxes or the industry, could have an adverse impact on the working of the Company.

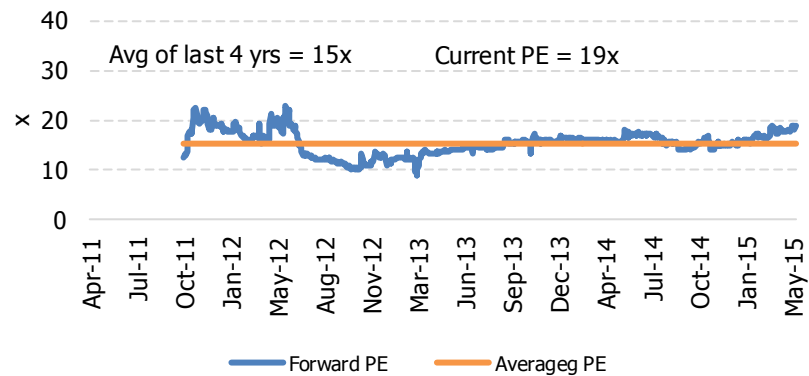
Foreign Currency Exposure: ~70% of Flexituff's revenue is obtained from exports. This has made it susceptible to foreign currency exposure. Also, prices of raw material used by the Company are volatile in nature and any volatility in international market is an area of concern.

Valuation:

We expect Flexituff's revenue/earnings to grow strongly over FY15-18e led by a wide range of product portfolio in high growth industry, high quality products meeting the requirements of stringent organizations like the USFDA, BRC and ISO and an affluent customer base. We further believe that the company will improve on its return ratios and ~278 bps expansion in EBITDA margins.

At CMP of Rs. 227, the stock trades at a PE of 24.8/9.5/6.3x of FY16/17/18e. We value the company at PE of 15x to arrive at our target price of Rs. 359 (58% upside).

Exhibit 11: Flexituff International Ltd. 1 year forward PE

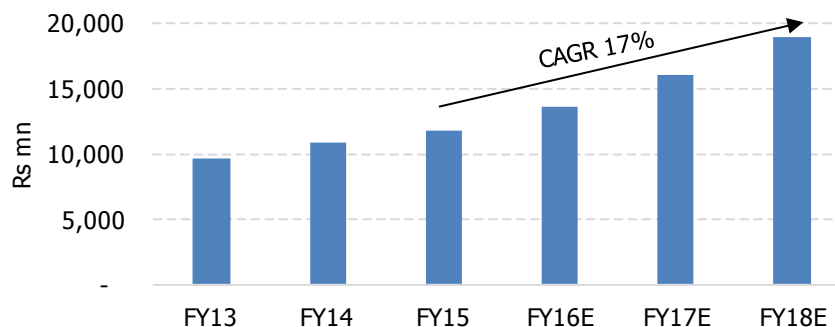


Source: Company, BOBCAPSe

Financial Summary

Top line to grow at ~17% CAGR over FY15-18e: Having a widespread product portfolio related driven by high growth industries (like technical textile, Pharma, Infrastructure, Agriculture etc), and being a market leader in products like BOPP, geo textiles and FIBC we expect the Company's revenue would grow gradually at 17% CAGR over FY15-18e.

Exhibit 12: Flexituff likely to post ~17% revenue CAGR over FY15-18e

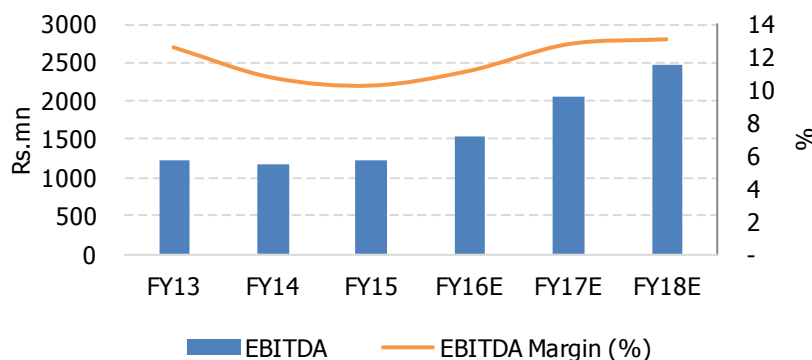


Source: Company, BOBCAPSe

Scope for EBITDA margin to grow by ~278 bps over FY15 to FY18e

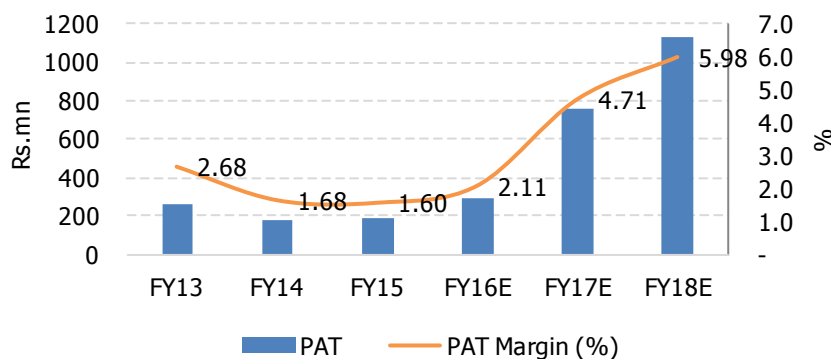
EBITDA grew at 12.43% CAGR in FY11-15 and we expect it to grow at ~27% CAGR over FY15-18e. This is mainly led by increasing volume growth, Introduction of new import substitution, patented Geo products and cost-effectiveness due to optimum utilization of capacity. We believe, EBITDA to reach Rs2480 mn in FY18e with expansion of ~278 bps over FY15-17e.

Exhibit 13: EBITDA margin expansion by ~278 bps over FY15-18e



Source: Company, BOBCAPSe

Exhibit 14: PAT to grow at ~82% CAGR over FY15-18e

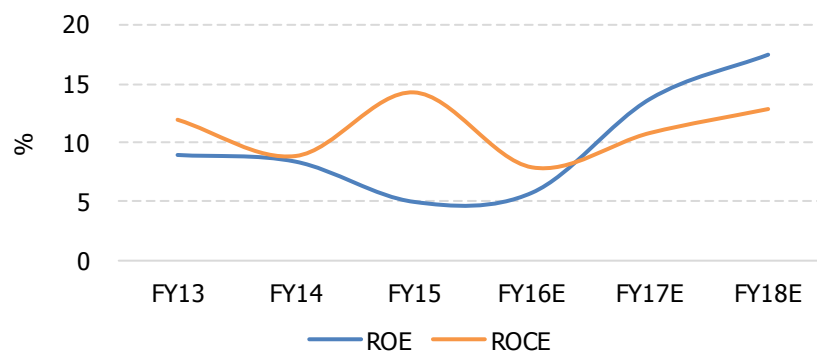


Source: Company, BOBCAPSe

Return ratios to improve gradually

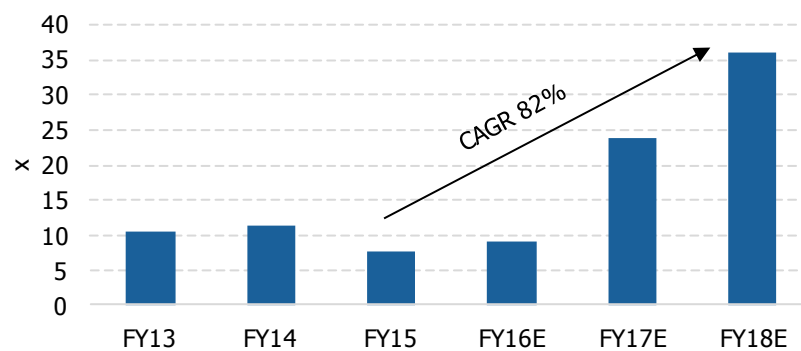
We believe, due to the optimum efficiency of operations and expansion in EBITDA margin, the Company would get high returns going forwards.

Exhibit 15: High ROE & ROCE



Source: Company, BOBCAPSe

Exhibit 16: High growth in EPS over FY15-18e



Source: Company, BOBCAPSe

Exhibit 17: Income statement (Rs mn)

Y/E Mar (Rsmn)	FY13	FY14	F Y15	FY16e	FY17e	FY18e
Net sales	9,655	10,924	11,772	13,673	16,010	18,953
<i>growth (%)</i>	<i>30.8</i>	<i>13.2</i>	<i>7.8</i>	<i>16.1</i>	<i>17.1</i>	<i>18.4</i>
COGS	4,847	5,627	6,156	7,055	8,261	9,780
Staff Cost	931	1,125	1,309	1,408	1,537	1,801
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(286)	104	(24)	121	96	114
Other Expenses	2,946	2,891	3,118	3,559	4,069	4,779
EBITDA	1,216	1,178	1,213	1,530	2,047	2,480
<i>growth (%)</i>	<i>8.2</i>	<i>(3.1)</i>	<i>3.0</i>	<i>26.1</i>	<i>33.8</i>	<i>21.2</i>
Depreciation	237	271	461	567	650	705
EBIT	979	908	752	962	1,397	1,775
Other income	36	28	49	50	51	52
Interest paid	664	576	687	724	693	693
Extraordinary/Exceptional items	-	(100)	-	-	-	-
PBT	351	259	114	288	754	1,134
Tax	96	76	(74)	61	158	238
Minority interest	(4)	-	-	-	-	-
PAT	259	183	188	228	596	896
Non-recurring items	-	100	-	-	-	-
Adjusted PAT	259	283	188	228	596	896
<i>growth (%)</i>	<i>(31)</i>	<i>9</i>	<i>(34)</i>	<i>21</i>	<i>162</i>	<i>50</i>

Source: Company, BOBCAPSe

Exhibit 18: Balance sheet (Rs mn)

Y/E Mar (Rsmn)	FY13	FY14	F Y15	FY16e	FY17e	FY18e
Cash & Bank balances	262	279	307	360	491	700
Other Current assets	5,152	5,356	5,842	6,394	7,386	8,614
Investments	10.24	11.96	12.78	12.78	12.78	12.78
Net fixed assets	4,723	5,847	6,979	7,422	7,382	7,712
Intangible assets	58	181	-	-	-	-
Other non-current assets	1	0	0	-	-	-
Total assets	10,206	11,676	13,141	14,189	15,272	17,038
Current liabilities	3,237	2,922	3,253	3,730	4,336	5,074
Borrowings	3,363	4,555	5,621	5,926	5,676	5,676
Other non-current liabilities	528	557	478	501	594	670
Current/Non current liabilities	7,128	8,034	9,352	10,157	10,606	11,419
Share capital	230	249	249	249	249	249
Reserves & surplus	2,849	3,393	3,540	3,783	4,417	5,370
Shareholders' funds	3,078	3,642	3,789	4,032	4,666	5,619
Total liabilities	10,206	11,676	13,141	14,189	15,272	17,038

Source: Company, BOBCAPSe

Exhibit 19: Ratios

Y/E Mar	FY13	FY14	F Y15	FY16e	FY17e	FY18e
Per share data (Rs)						
EPS	10.4	11.4	7.6	9.2	23.9	36.0
CEPS	21.6	22.3	26.1	32.0	50.1	64.3
DPS	1.2	1.2	1.2	1.8	4.8	7.2
BV	134	146	152	162	188	226
Profitability ratios (%)						
Gross margins	40.1	38.2	36.6	38.1	38.8	38.9
Operating margins	12.6	10.8	10.3	11.2	12.8	13.1
Net margins	2.7	2.6	1.6	1.7	3.7	4.7
Valuation ratios (x)						
PE	21.1	19.8	33.0	24.8	9.5	6.3
P/BV	1.6	1.5	1.6	1.5	1.3	1.1
EV/EBITDA	6.7	7.4	7.7	5.9	4.4	3.7
EV/Sales	0.8	0.8	0.8	0.7	0.6	0.5
RoE	9.0	8.4	5.1	5.8	13.7	17.4
RoCE	11.9	8.9	14.2	7.9	10.8	12.8
RoIC	4.1	3.6	2.1	2.3	5.9	8.4

Source: Company, BOBCAPSe

Exhibit 20: Cash flow statement (Rs mn)

Y/E Mar (Rsmn)	FY13	FY14	F Y15	FY16e	FY17e	FY18e
Profit after tax	259	183	188	288	754	1,134
Depreciation	235	200	461	567	650	705
Chg in working capital	(490)	(533)	(165)	(42)	(294)	(414)
Total tax paid	95	73	-	-	-	-
Net Extra-ordinary income	-	100	-	-	-	-
Cash flow from operations	99	23	484	814	1,111	1,425
Capital expenditure	(988)	(1,448)	(1,872)	(550)	(610)	(1,035)
Change in investments	(10)	(2)	(1)	-	-	-
Acquisition of Goodwill						
Cash flow from investments	(998)	(1,449)	(1,873)	(550)	(610)	(1,035)
Free cash flow	(899)	(1,426)	(1,390)	264	501	390
Issue of shares	12	19	-	-	-	-
Net inc/dec in debt	804	1,191	1,067	305	(250)	-
Dividend (incl. tax)	(27)	(29)	(29)	(46)	(120)	(180)
Other financing activities	147	363	(89)	(0)	0	(0)
Net Extra-ordinary income	-	(100)	-	-	-	-
Cash flow from financing	937	1,544	949	259	(370)	(180)
Inc/(Dec) in Cash & Bank bal.	38	18	(441)	523	131	209

Source: Company, BOBCAPSe

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Recognition of Accomplishment

Announced
895/1000

Flexituff International Ltd. - Integrated Manufacturing facility of poly woven bags and FIBCs
 Pithampur, Dhar District, Madhya Pradesh, India

Was inspected by a qualified AIB International Inspector on
February 28 - 29, 2012
 and at that time was found to have fulfilled the requirements of the
 AIB International Consolidated Standards for Food Contact Packaging.

James R. Myerson
President and CEO

William A. Harty
VP, Food Safety Education



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This is to certify that

Flexituff International Ltd

BRC Site Code: 4487596
 Site Address: C 41-50, SEZ, Sector - 3, Pithampur, Dhar (MP), 454775

has been audited by Intertek Certification Ltd and found to meet the requirements of
GLOBAL STANDARD for PACKAGING & PACKAGING MATERIALS
ISSUE 4: FEBRUARY 2011

Scope: Manufacturing of Polypropylene Woven Bags and Flexible Intermediate Bulk Container (FIBC) by Extrusion of Tape, Multifilament & Limer, Weaving of fabrics, Coating/ Lamination, Cutting, Printing and Stitching Process and Packing into Woven Bags and Pallets for Food, Pharma and Non Food Applications

Exclusions from Scope:	None
Product Categories:	High Hygiene Risk
Packaging Fields:	04 – Plastics
Achieved Grade:	A



Certificate Number: 29007
Auditor Number: 168077
Dates of Audit: 11th – 12th September 2014
Certificate Issue Date: 31st October 2014
Re-audit Due Date: From 18th August 2015
 To 15th September 2015
Certificate Expiry Date: 27th October 2015



Clive Johnson
 Clive Johnson, President
 Intertek Certification Ltd – 30a Victory Park, Victory Road, Derby DE24 8ZF, United Kingdom

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