

Flexituff Int'l eyes to become Rs 2,000 cr company by FY16

Mumbai, Dec 4 (PTI) Manufacturer of Flexible Intermediate Bulk Containers (FIBC) and technical textiles Flexituff International, which was listed in October, is eyeing to become a Rs 2,000 crore company by 2016, a top company executive has said.

"We are present in four verticals -- FIBC, geo textiles fabric and ground cover, reverse-printed BOPP woven bags- used for agri and retail and special PP bags, including leno bags -- and each vertical is growing due to huge domestic as well as export demand. Looking at this trend, we expect to become a Rs 2,000 crore company by 2016," Flexituff International Managing Director Saurabh Kalani told PTI here.

Flexituff had raised Rs 104.62 crore through public issue of 67.5 lakh equity shares of Rs 10 face value at Rs 155 per share.

In FY11, the company's PAT was Rs 31 crore and the company is expecting over 45 per cent growth in PAT at about Rs 45 crore in FY12. Similarly, its revenue stood at Rs 578 crore and the company expects 30 per cent growth at Rs 750 crore this fiscal.

To meet the growing demand, the company is ramping up its manufacturing capacity at both its units in Indore in Madhya Pradesh and Kashipur in Uttarakhand, he said.

"The capacity of our Indore unit, which manufactures FIBC is 30,000 tonne per annum that is growing by up to 10 per cent annually. The Kashipur unit, which manufactures products for rest of the verticals, has a capacity of 30,000 tonne per annum, which will be raised to 50,000 tonne by 2013," he said.

The company will invest Rs 65-70 crore for capacity expansion, he said.

"We will fund the expansion through internal accrual, debt and the rest will be taken from the Rs 28 crore kept for capex raised through the capital market," he said.

"At present, the current debt of the company is Rs 180 crore through term loan," he added.

Talking about exports, Kalani said, Flexituff is present in 30 countries, mainly in the US, West Europe,

Australia, Japan and the Middle East.

"We are now looking to expand our geographical footprint to Brazil and Africa. We are already in talks with companies for joint venture partnership in Brazil and we expect some concrete development by mid next year," he said.

However, venturing into west Africa will take some more time, he said.

Flexituff is the largest exporter of FIBC bags. In FY10, the company shipped around 20 per cent of the total Indian FIBC. About 90 per cent of the FIBC manufactured by the company is exported, he said.

In the domestic market, the company is planning to focus in geo textiles, as the market is huge at around Rs 30,000 crore and it is a fast-growing segment.

"We have set a target of Rs 400 crore by FY14 for geo textiles in the domestic market," he added.