



SAH POLYMERS LIMITED

Issue highlights

- ❑ **Sah Polymers Ltd (“Sah Polymers”)** was incorporated on April 20, 1992. Promoted by Sat Industries, Sah Polymers is an ISO 9001:2015 certified company, primarily engaged in manufacturing and selling of Polypropylene (PP)/ High Density Polyethylene (HDPE) FIBC Bags, Woven Sacks, HDPE/PP woven fabrics, based products of different weight, sizes and colours as per customers specifications.
- ❑ They offer customised bulk packaging solutions to business-to-business (“B2B”) manufacturers catering to different industries such as Agro-Pesticides Industry, Basic Drug Industry, Cement Industry, Chemical Industry, Fertilizer Industry, Food Products Industry, Textile Industry Ceramic Industry and Steel Industry.
- ❑ The company is a Del Credere Associate cum Consignment Stockist (DCA/ CS) of Indian Oil Corporation Ltd and also operates as Dealer Operated Polymer Warehouse (DOPW) of Indian Oil Corporation Limited for their polymer division.
- ❑ Sah Polymers enters into arrangements as third-party manufacturers to manufacture their tape and fabric based on customers’ requirements.
- ❑ They have 2 business divisions (i) domestic sales; and (ii) exports. The company has presence in 5 states and 1 union territory for their domestic market based on sales made for the 3 months ended June 30, 2022 and FY 2022, respectively.
- ❑ Internationally, they export their products to 14 countries such as Algeria, Togo, Ghana, Poland, Portugal, France, Italy, Dominican Republic, USA, Australia, UAE, Palestine, UK and Ireland.

Brief Financial Details*

(₹ In Cr)

	Consolidated	Consolidated	Standalone	
	As at Jun’ 30,	As at Mar’ 31,		
	2022(03)	2022(12)	2021(12)	2020(12)
Equity Share Capital	15.60	15.60	15.60	15.60
Other Equity#	12.14	11.05	4.49	3.21
Net worth as stated	27.74	26.65	20.09	18.81
Revenue from Operations	27.22	80.51	55.07	49.10
Revenue Growth (%)	-	46.20%	12.16%	
EBITDA as stated	2.36	7.73	3.30	2.61
EBITDA Margin (%)	8.56%	9.52%	5.96%	5.24%
Profit/Loss Before Tax	1.72	5.49	1.62	0.51
Net Profit for the period	1.25	4.38	1.27	0.30
Net Profit (%) as stated	4.60%	5.43%	2.31%	0.60%
EPS – Basic & Diluted (₹)~	0.80^	2.81	0.82	0.19
RONW (%)	4.51%^	16.42%	6.33%	1.58%
NAV-Basic (₹)~	17.79^	17.09	12.88	12.06

Source: RHP *Restated Statement; #Other Equity includes Equity Attributable to the owner of the parent and Non-controlling Interest, ^not annualised; ~ from continued and discontinued operations

Issue Details

Fresh Issue of 10,200,000 Equity shares

Issue summary

Issue size: ₹ 62 – 66 Cr

No. of shares: 10,200,000 Shares

Face value: ₹ 10/-

Price band: ₹ 61 – 65

Bid Lot: 230 Shares and in multiple thereof

Post Issue Implied Market Cap =
₹ 157 – 168 Cr

BRLM: Pantomath Capital Advisors

Registrar: Link Intime India Pvt Ltd

Issue opens on: Friday, 30th Dec’2022

Issue closes on: Tuesday, 4th Jan’2023

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	09-01-2023
Refunds/Unblocking ASBA Fund	10-01-2023
Credit of equity shares to DP A/c	11-01-2023
Trading commences	12-01-2023

Issue break-up

	No. of Shares	₹ In Cr		% of Issue
		@Lower	@upper	
QIB	7,650,000	46.67	49.73	75%
NIB	1,530,000	9.33	9.95	15%
-NIB1	510,000	3.11	3.32	-
-NIB2	1,020,000	6.22	6.63	-
RET	1,020,000	6.22	6.63	10%
Total	10,200,000	62.22	66.30	100%

Listing: BSE & NSE

Shareholding (No. of Shares)

	Pre issue	Post issue
	15,596,000	25,796,000

Shareholding (%)

	Pre-Issue	Post-Issue
Promoters	91.79%	55.50%
Promoters Group	8.21%	4.96%
Public	0.00%	39.54%
Total	100.00%	100.00%

BACKGROUND

Company and Promoters

The company was incorporated as 'Peacock Continental Ltd' at Udaipur on April 20, 1992. The company was promoted by Sat Industries Ltd. Currently, the Promoters hold 91.79% of the pre-issued, subscribed and paid-up equity share capital.

BOARD OF DIRECTORS

Name	Designation
• Asad Daud	Managing Director
• Hakim Sadiq Ali Tidiwala	Whole Time Director
• Ramesh Chandra Soni	Non-Executive - Independent Director
• Sanjay Sutar	Non-Executive - Independent Director
• Nikhil Khanderao Raut	Non-Executive - Independent Director
• Chetna	Non-Executive - Independent Director

OBJECTS OF THE ISSUE

Objects	Amount
• Setting up of a new manufacturing facility to manufacture new variant of Flexible Intermediate Bulk Containers (FIBC);	8.17
• Repayment of certain secured and unsecured borrowings in full availed by the company;	19.66
• Funding the working capital requirements of the company;	14.96
• General Corporate Purposes	[•]
Total	[•]

BUSINESS OVERVIEW

Sah Polymers Ltd ("Sah Polymers") is an ISO 9001:2015 certified company, primarily engaged in manufacturing and selling of Polypropylene (PP)/ High Density Polyethylene (HDPE) FIBC Bags, Woven Sacks, HDPE/PP woven fabrics, based products of different weight, sizes and colours as per customers specifications. They offer customised bulk packaging solutions to business-to-business ("B2B") manufacturers catering to different industries such as Agro-Pesticides Industry, Basic Drug Industry, Cement Industry, Chemical Industry, Fertilizer Industry, Food Products Industry, Textile Industry Ceramic Industry and Steel Industry. Besides, the company is a Del Credere Associate cum Consignment Stockist (DCA/ CS) of Indian Oil Corporation Ltd and also, operates as Dealer Operated Polymer Warehouse (DOPW) of Indian Oil Corporation Limited for their polymer division.

Sah Polymers enters into arrangements as third-party manufacturers to manufacture their tape and fabric based on customers' requirements. They have 2 business divisions (i) domestic sales; and (ii) exports. The company has presence in 5 states and 1 union territory for their domestic market based on sales made for the 3 months ended June 30, 2022 and FY 2022, respectively. Internationally, they export their products to 14 countries such as Algeria, Togo, Ghana, Poland, Portugal, France, Italy, Dominican Republic, USA, Australia, UAE, Palestine, UK and Ireland.

For the 3 months ended June 30, 2022 and for Fiscals 2022, 2021 and 2020, the revenue from exports was ₹15.58 crore, ₹44.39 crore, ₹27.52 crore, and ₹24.92 crore contributed 57.61%, 55.14%, 49.98% and 50.75% respectively of their revenue from operations.

Presently, they have 1 manufacturing facility with installed production capacity of 3,960 MTPA located at Udaipur, Rajasthan. Over the years, they have made investments, from time to time, in their manufacturing infrastructure to support their product portfolio requirements and its reach. Furthermore, in line with their strategic expansion plans, they intend to use part of their Net Proceeds to establish a new facility with an additional installed capacity of 3,960 MTPA to manufacture different variants of FIBC products.

Sah Polymers is promoted by SAT Industries Ltd which is listed on BSE Ltd and NSE Ltd. The company is led by their Managing Director, Asad Daud, and their Whole Time Director, Hakim Sadiq Ali Tidiwala, who have a combined average experience of approximately about 20 years in the FIBC packaging industry. Each of their Executive Directors are involved in the critical aspects of their business, including expansion, process and plant, finance, sales and marketing.

The company faces competition from Kanpur Plastipack Ltd, Rishi Techtex Ltd, Jumbo Bag Ltd, SMVD Polypack Ltd, EMMBI Industries Ltd. and Commercial Syn. Bags Ltd.

KEY PERFORMANCE INDICATORS

(₹ In Cr)

	3 months ended	As on 31 st March,		
	June 30,	2022	2021	2020
	2022	2022	2021	2020
Revenue from Operations	27.22	80.51	55.07	49.10
Gross Profit	7.93	24.19	16.56	15.68
Gross Margin	29.13%	30.04%	30.06%	31.93%
EBITDA	2.36	7.73	3.30	2.61
EBITDA Margin	8.67%	9.61%	5.99%	5.32%
Profit After Tax for the Year / Period	1.25	4.38	1.27	0.30
PAT Margin	4.60%	5.43%	2.31%	0.60%
ROE	4.51%	16.42%	6.33%	1.58%
ROCE	0.04	0.14	0.10	0.09
Debt / Equity	1.19	1.15	0.69	0.55

COMPANY PRODUCTS

Type of the Product	Major Varieties	Application
FIBC (Flexible intermediate bulk container)	<ul style="list-style-type: none"> Wide range of patterns. 	End use in Construction Industry and Agriculture Industry
Container Bag	<ul style="list-style-type: none"> Varies from 20ft to 40ft Designed as per customer need. 	End use in bulk packaging industry as packaging material.
Garden bags/wastage bags	<ul style="list-style-type: none"> Garden/wastage bags: U-panel, 4 panel, Circular, Tubular, Max 4 side 4 colors Heavy Duty Wastage Bags: ½m³, 1m³, 2m³ and 3m³ (color: white, green, blue and orange) 	End used in Household and Waste management
Woven sacks	<ul style="list-style-type: none"> Box bags Sand bags Vale bags Bale bags Envelope bags Woven sack with liner Box bag with liner Box bags with lamination 	Pack cement, fertilizer, food grain & seeds, sugar oilseeds, chemicals, bale covers, geo- textile, salt, para dropping packaging etc.
PP Fabric	<ul style="list-style-type: none"> Flat / circular PP (polypropylene) HDPE (High Density Polyethylene) 	End use in packaging, sheltering and covering products
Ground covers	<ul style="list-style-type: none"> Width: 90 cms to 500 cms Fabric: 70 gsm to 200 gsm 	End use in Agriculture and Horticulture Industry
Spiral tubing	<ul style="list-style-type: none"> Ranges from 30 cms to 152 cms Durability and unlimited size flexibility 	End use in packaging industry
Box bags	<ul style="list-style-type: none"> Any size as demanded by customers 	End use in Textile Industry
PP Woven fabric Rolls	<ul style="list-style-type: none"> Roll 	End use in packaging, sheltering and covering products

MANUFACTURING FACILITY – PRODUCTION CAPACITY AND CAPACITY UTILIZATION

Particulars	Units	For Quarter ended June 30,	As on March 31,		
		2022*	2022	2021	2020
Looms Production					
Installed Capacity	Kgs	1,107,288	4,429,152	4,429,152	4,123,704
Actual Production	Kgs	911,094	3,717,836	3,304,082	3,815,178
Capacity Utilisation	%	82.28	83.94%	74.60	92.52
Tape Plant					

Particulars	Units	For Quarter ended June 30,	As on March 31,		
		2022*	2022	2021	2020
Installed Capacity	Kgs	1,144,440	4,577,760	4,577,760	4,577,760
Actual Production	Kgs	1,001,898	3,832,524	3,260,479	3,922,077
Capacity Utilisation	%	87.54	83.72	71.22	85.68

* Not annualised

REVENUE FROM OPERATIONS

(₹ In Cr)

Particulars	For Quarter ended June 30,	For the year ended March 31,		
	2022	2022	2021	2020
Manufactured Goods	23.49	63.65	45.04	44.73
Traded Goods	3.31	13.48	6.68	1.81
Sale of Services	0.20	2.30	2.18	1.13
- Job Work	-	0.64	1.29	0.21
- Commission -DCA	0.20	0.76	0.76	0.83
- Market Research Services	-	0.90	-	-
- Lease Rent	-	-	0.13	0.09
Interest Income (Business)	0.22	1.08	0.68	0.76
Other Operating Income	-	-	0.49	0.68
- Export Incentive	-	-	0.49	0.68
Total	27.22	80.51	55.07	49.10

KEY STRENGTH

- Quality product mix;
- Customer base across geographies and industries;
- Experienced Management Team.

KEY GROWTH STRATEGIES

- Setting up a new manufacturing facility to widen the product portfolio and increase the capacity;
- Increase the customer network in existing markets and enter new geographical markets;
- Carefully evaluate and pursue accretive acquisitions.

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