

Ajmera x-change
The Growth Catalyst



Mobile Application

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EQUITY, DERIVATIVES, CURRENCY, COMMODITY, DEPOSITORY, MUTUAL FUNDS, INSURANCE* & NBFC*

VOL. 02/04

COMPANY REPORT

12 May 2018

Polyspin Exports

Price: Rs 133

Packs a punch

BSE Sensex: 35,536

Nifty-50: 10,806

Financials

	SALES	OPM (%)	OP	OTHER INC.	PBIDT	INT	PBDT	DEP.	PBT	TOTAL TAX	PAT	EPS* (Rs)
1503 (12)	143.7	7.6	10.88	0.52	11.4	4.3	7.1	1.97	5.13	1.79	3.34	8.4
1603 (12)	133.42	7.2	9.54	0.73	10.27	3.62	6.65	2.16	4.49	1.58	2.91	7.3
1703 (12) &	150.99	4.5	6.85	4.92	11.77	3.98	7.78	2.79	4.99	1.83	3.16	7.9
1803 (12P) &	165.63	5.3	8.72	5.66	14.38	4.26	10.12	2.9	7.22	2.48	4.74	11.8
1903 (12P) &	182.19	5.5	10.02	5.94	15.96	4.52	11.44	3.05	8.4	2.52	5.88	14.7

*Annualised on current equity of Rs 4.00 crore: Face value of Rs 10 each. EO: Extraordinary items (P): Projections. &: As per new accounting standards
Source: Capitaline Databases

STOCK DATA

BSE Code	:	539354
BSE Group	:	X
NSE Code	:	Not Listed
Bloomberg	:	POLY IN
Reuters	:	POEX.BO
Par Value	:	Rs 10
52-week High/Low	:	Rs 147 / Rs 59
Sector	:	Packaging

Polyspin Exports is engaged in the production and sale of flexible intermediate bulk container (FIBC) bags, fabric and yarn, and cotton yarn.

The company's segments include FIBC Bags, Fabric, Yarn, and Cotton Yarn. The Company's products also include open-end (OE) spinning yarn, polypropylene (PP) Woven Bags, PP Woven Fabrics, PP Yarn and Paper Bags.

It is also engaged in generating power from the Windmill installed at Pazhavor Taluk.

The company's manufacturing plants include export oriented unit (EOU)-FIBC Bags and Woven Bags Division, which is located in Rajapalayam, Tamilnadu; OE Yarn Unit-division, which is located in Cholapuram South, Rajapalayam, and Windmill Unit (approximately 250 kilowatts), which is located in Pazhavor Taluk, Tirunelveli District.

Broad range of packaging bags

It manufactures broad range of packaging bags. These include Baffle bags / Q bags, Tubular coated bags, Asbestos plate bags, Normal u-panel bags, Container bags, Full discharge bags, One/Two loop bags, Single/Double/Triple sift-proof bags, UN certified bags, Under sling bags and Circular bulk bags.

Top facilities

Polyspin is equipped with top brand extrusion plants, reputed circular looms with 4, 6 and 8 shuttles, world class sewing machines. Also in the stable are good quality belt weaving looms, printing and cutting machines, besides efficient hydraulic press packing machines.

It also has a well-established testing lab for in-house testing of load, UV etc.

It has traceability system is in place for easy identification of when, where and by who any bag was processed.

SHAREHOLDING PATTERN*

Category	% of equity
Foreign	-
Promoter & Group	45.26
Institution	-
Corporate Holding	-
Total Public & Others	54.74
Total	100

* as on 31/03/2018.

Source: Capitaline Database

POLYSPIN holds ISO 9001:2008 certification for quality management.

Focused on exports

In FY 2017, the company earned Rs 118 crore from exports (up 11%). Exports accounted for 78% of net sales. Between FY13 to FY17, its exports have almost doubled.

December 2017 quarter sales rise 26% and PAT jump 162%

In December 2017 quarter, sales grew 26% to Rs 46.93 crore. OPM jumped 130 basis points to 5.7% which took OP up 61% to Rs 2.69 crore.

Other income jumped 72% to Rs 1.78 crore and interest went up 11% to Rs 1.03 crore. As depreciation grew 2% to Rs 73 lakh, PBT went up 154% to Rs 2.72 crore. As provision for taxation grew 140% to Rs 91 lakh, PAT soared 162% from Rs 69 lakh to Rs 1.80 crore.

Nine months standalone sales are up 9% and PAT has jumped 64%

For the nine months, sales grew 9% to Rs 127.08 crore. OPM improved 90 basis points to 5.3% which took OP up 30% to Rs 6.68 crore.

Other income grew 24% to Rs 4.18 crore and interest was up 7% to Rs 2.96 crore. As depreciation grew 4% to Rs 2.17 crore, PBT jumped 58% to Rs 5.73 crore. As provision for taxation jumped 47% to Rs 1.95 crore, PAT jumped 64% to Rs 3.79 crore.

Segment results

For the quarter, sales of from the FIBC Bags, Fabric, Yarn Division stood at Rs 37.74 crore and accounted for 84%

of total. PBIT from the same grew 58% to Rs 3.44 crore and accounted for 92% of total.

For the quarter, sales of from the Cotton Yarn Division stood at Rs 7.19 crore and accounted for 31% of total. PBIT from the same stood at Rs 31 lakh against a loss of Rs 18 lakh and accounted for 8% of total.

For the nine months, sales of from the FIBC Bags, Fabric, Yarn Division stood at Rs 107.15 crore and accounted for 85% of total. PBIT from the same grew 36% to Rs 7.53 crore and accounted for 87% of total.

For the nine months, sales of from the Cotton Yarn Division stood at Rs 19.93 crore and accounted for 15% of total. PBIT from the same grew 37% to Rs 1.16 crore and accounted for 6% of total.

Encouraging outlook

The outlook for the current financial year looks robust and positive.

Packaging industry continues to gain prominence, as manufacturing companies continue to get traction buoyed by positive growth sentiments.

Valuation

For FY'18, we expect the company to register net sales and PAT of Rs 165.63 crore and Rs 4.74 crore respectively. On an equity capital of Rs 4.00 crore and face value of Rs 10 per share, EPS works out to Rs 11.8. This EPS is likely to rise to Rs 14.7 in FY 2019 on sales of Rs 182.19 crore and PAT of Rs 5.88 crore. At current market price of Rs 133, P/E on FY 2019 projected EPS works out to around 9.

Polyspin Exports: Results

	1712 (3) &	1612 (3) &	VAR. (%)	1712 (9) &	1612 (9) &	VAR. (%)	1703 (12) &	1603 (12)	VAR. (%)
Sales	46.93	37.28	26	127.08	116.70	9	150.99	133.42	13
OPM (%)	5.7	4.5		5.3	4.4		4.5	7.2	
OP	2.69	1.67	61	6.68	5.12	30	6.85	9.54	-28
Other inc.	1.78	1.04	72	4.18	3.37	24	4.92	0.73	574
PBIDT	4.47	2.71	65	10.86	8.49	28	11.77	10.27	15
Interest	1.03	0.93	11	2.96	2.77	7	3.98	3.62	10
PBDT	3.44	1.78	94	7.90	5.72	38	7.78	6.65	17
Dep.	0.73	0.71	2	2.17	2.09	4	2.79	2.16	29
PBT	2.72	1.07	154	5.73	3.63	58	4.99	4.49	11
EO	0.00	0.00	—	0.00	0.00	—	0.00	0.00	—
PBT after EO	2.72	1.07	154	5.73	3.63	58	4.99	4.49	11
Total Tax	0.91	0.38	140	1.95	1.32	47	1.83	1.58	16
PAT	1.80	0.69	162	3.79	2.31	64	3.16	2.91	9
EPS (Rs) *	18.0	6.9		12.6	7.7		7.9	7.3	

*Annualised on current equity of Rs 4.00 crore: Face value of Rs 10 each. EO: Extraordinary items (P): Projections.
&: As per new accounting standards