



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

FORWARD-LOOKING STATEMENTS

The report contains forward-looking Statements, identified by words like ‘plans’, ‘expects’, ‘will’, ‘anticipates’, ‘believes’, ‘intends’, ‘projects’, ‘estimates’ and so on. All statements that address expectations or projections about the future, but not limited to the Company’s strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realized. The Company’s actual results, performance or achievements could thus differ from those projected in any forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events. The Company disclaims an obligation to update these forward-looking statements, except as may be required by law.

INDUSTRY

The plastic industry plays a vital role in the Indian economy, given its linkage to multiple sectors that utilize plastic. It employs about 4 million people and comprises more than 30,000 processing units. The Indian plastic industry produces and exports a wide range of raw materials, plastic-molded extruded goods, polyester films, molded / soft luggage items, writing instruments, plastic woven sacks and bags, polyvinyl chloride (PVC), leather cloth and sheeting, packaging, consumer goods, sanitary fittings, electrical accessories, laboratory / medical surgical ware, tarpaulins, laminates, fishnets, travel ware, and others.

The unprecedented outbreak of COVID-19 impacted the global economy and human life, making it a very challenging environment for all business. The changes forced upon people by the pandemic are likely to last for some time and has established ways of doing business which is leading to changes in the way we work.

Indian plastic exporters are aggressively looking to grab China’s share in the global market as developed countries have started looking for an alternative supply source. India has set a target of increasing its global market share, in terms of plastic exports, from 1% to possibly 2%. The Indian government is weighing all possible options to attract foreign investments into the country. Further, several Government initiatives such as ‘Atmanirbhar Bharat’ are opening up opportunities for accelerated growth in the plastic industry.

COMPANY OVERVIEW

Your Company is one of the leading industrial bulk packaging solution providers in the world. Its manufacturing facilities situated at Pithampur, Dhar follow high quality and contamination conscience standard of the International Food and Pharmaceutical Grade Industry requirements and are certified to abide by global benchmarks, delivering superior quality products to customers across the globe. Our global business spread across more than 100 countries which accounts to more than 90% of the company total revenue.

The outbreak of COVID-19 has affected countries globally leading to its declaration by WHO as a Global Pandemic on 11th of March, 2020. Your Company, as an exporter, had a negative effect. The full closure of the Company’s operations from the 22nd of March due to Country wide lock down affected the year’s end performance. However, the company resumed its operations partially within few days of lockdown and is now fully operational with all measures necessary for safety and welfare of the employees have been taken. Being present in packaging for “Essential Items” helped bringing the normalcy faster.

Your Company was able to successfully manage immediate challenges of re-establishing normalcy in business operations and is in the process of assessing the long-term implications and opportunities that may emerge from this situation.

STRENGTH & OPPORTUNITIES

The Company has wide range of products in its basket which caters to the customers across the globe. Your Company’s customer base is spread across the globe with presence in countries like USA, UK, France, Canada, Australia, Germany, Italy, Spain, New Zealand, etc. Your Company is having BIS Certification for separate clean room facilities and is a Reputed global manufacturer of world-class Flexible Intermediate Bulk Containers (FIBC) and a pioneer exporter. The Company supplies to various industries like agriculture, construction, food, bulk packaging, chemical, cement and food grade bags. The strong Industry relation is core strength of the Company. The Company focuses on quality and customer satisfaction to maintain long term relationship and to procure repeat orders. We have integrated in-house capabilities to market, distribute and retail our conceptualized products. We also have team of experienced, highly professional and skilled manpower to maintain space and remain competitive in today’s changing market place.

We understand the customer needs, market trends mapping and provide value for money products and our enhanced capacity with superior structuring of manufacturing capabilities meet the additional demand in the packing industry.

Your Company is now all set to utilize its improved infrastructure and increased capacities for better results in the coming years and is continuously diversifying our revenue stream by exploring new geographical area and adding product categories to existing customer base which will contribute to the performance of the Company.

**WEAKNESS AND THREATS**

Volatility of currency is a major threat. Being a labour oriented industry with high requirement of skilled labour, shortage of labour is a major risk associated with the sector, however the Company has put in place adequate system to monitor labour requirement and have already implemented skilled development training program. Competition from new players within and outside the country is also posing the threat for the company

Our Company operates under several statutory and regulatory permits, licenses and approvals. Our inability to obtain, renew or maintain the statutory and regulatory licenses permits and approvals required to operate our business may have a material adverse effect on our business & operations.

Quality of our product is key aspect to sustain in the Market. Any failure to maintain the quality of the product may affect adversely to our business. Downward Economic growth and Global downturns have affected the performance and may put pressure on margins.

INTERNAL CONTROL

The Company has a requisite system of internal controls which are regularly evaluated, tested & revisited by the Management and the Internal Auditors. Further, the report of the Internal Auditors is reviewed by the Top Management and the Audit Committee. All efforts are being made to make the internal control systems more effective.

SEGMENT WISE REPORTING

The Company has identified its business segment as Primary Reportable Segment. There is no other Primary Reportable Segment and as such Segment wise reporting is not given.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

The Company believes and considers Human Resources as a vital asset for the growth of the Company. The response of the employees of the Company during COVID crisis was extraordinary and the management place on record their appreciation to the Company's employees for their selfless efforts which helped your Company to reach normalcy in operations within a few weeks of the lock-down. The Company emphasizes its People Development Processes and strives to upgrade skill sets to motivate the workforce to contribute towards organization goals.

RISKS AND CONCERNS

The Company follows the risk management policy wherein the management keeps an eagle eye view on the markets, both domestic and foreign, related to the products, the Company manufactures and the raw materials required. The management also monitors the socio-economic changes worldwide and the changes in the currency fluctuation to minimize the risks. An additional risk arising out of the COVID 19 pandemic cannot be ruled out which may lead to a possible future lockdown or temporary closure.

The Company has issued various awareness notes and also made a team to train other employees throughout the Company. The management continues to monitor the situation closely and follow all directives of the administration to ensure the safety and welfare of our employees which remains primary concern of your Company.

CAUTIONARY STATEMENT

Statement in this Management's Discussion and Analysis detailing the Company's objectives, projections, estimates, estimates, expectations or predictions are "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations.

For and on behalf of the Board

Date: 10th November, 2020
Place: Pithampur (Dhar)

Binod Kumar Agarwal
Chairman & Managing Director
DIN:00322536