



Subam Papers Limited

INVESTORS PRESENTATION



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Table of Contents

Sr. No.	Particulars	Pg. no.
1	Industry Overview	4
2	Company Overview	10
3	Organizational capabilities	17
4	Group Structure & Team	23
5	Financial Overview	27
6	IPO Overview	31
6	Utilization of Funds	32
7	Journey Ahead	33
8	Contact Us	34



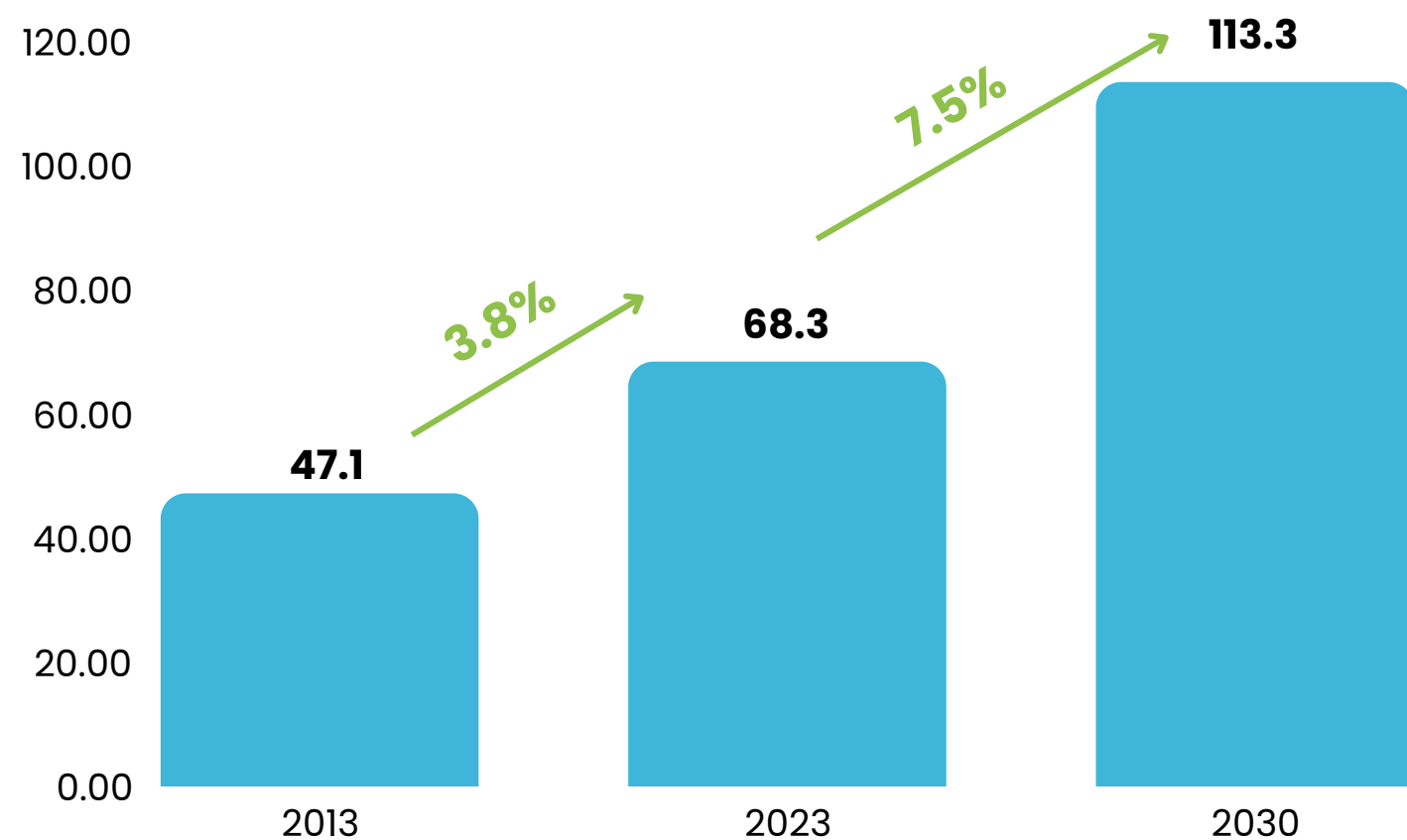
Industry Overview



Paper packaging: An indispensable solution across a spectrum of sectors

Paper-based packaging, including corrugated boxes, cushioning materials, and mailers, is preferred for its lightweight nature, recyclability, and customizable design options

Increasing demand for Paper Packaging Solutions (million metric tons)



Growing e-commerce spurs demand for paper packaging, set to surpass **US\$ 100 billion by 2025.**



The government's **ban on single-use plastic boosts** demand for eco-friendly paper packaging solutions



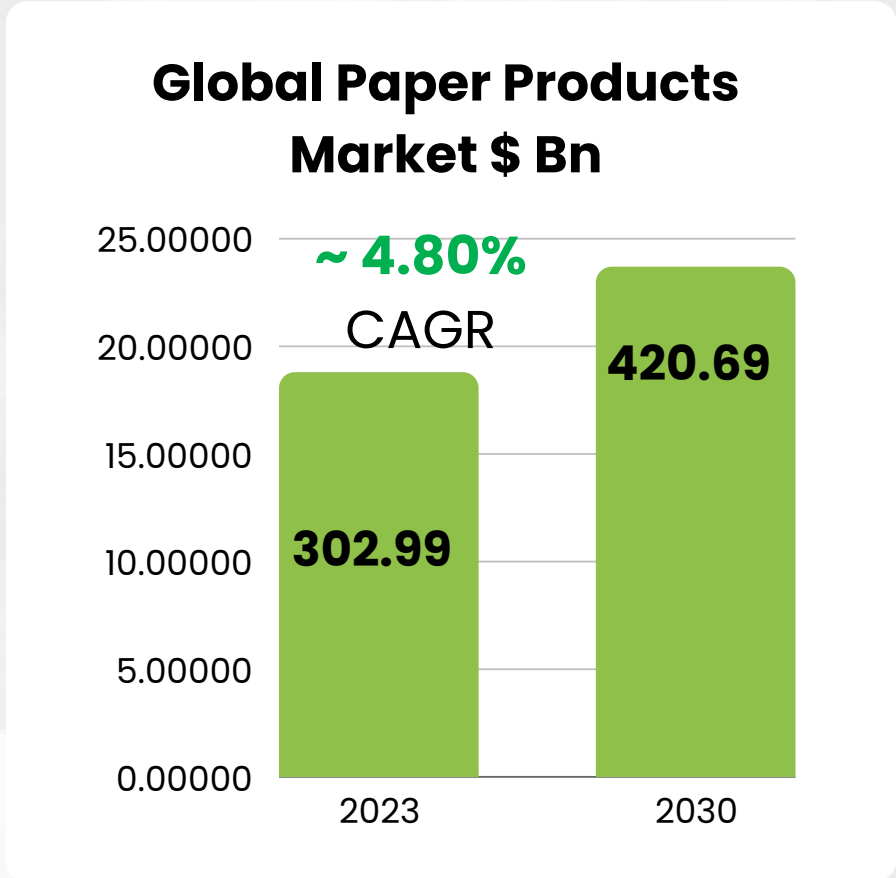
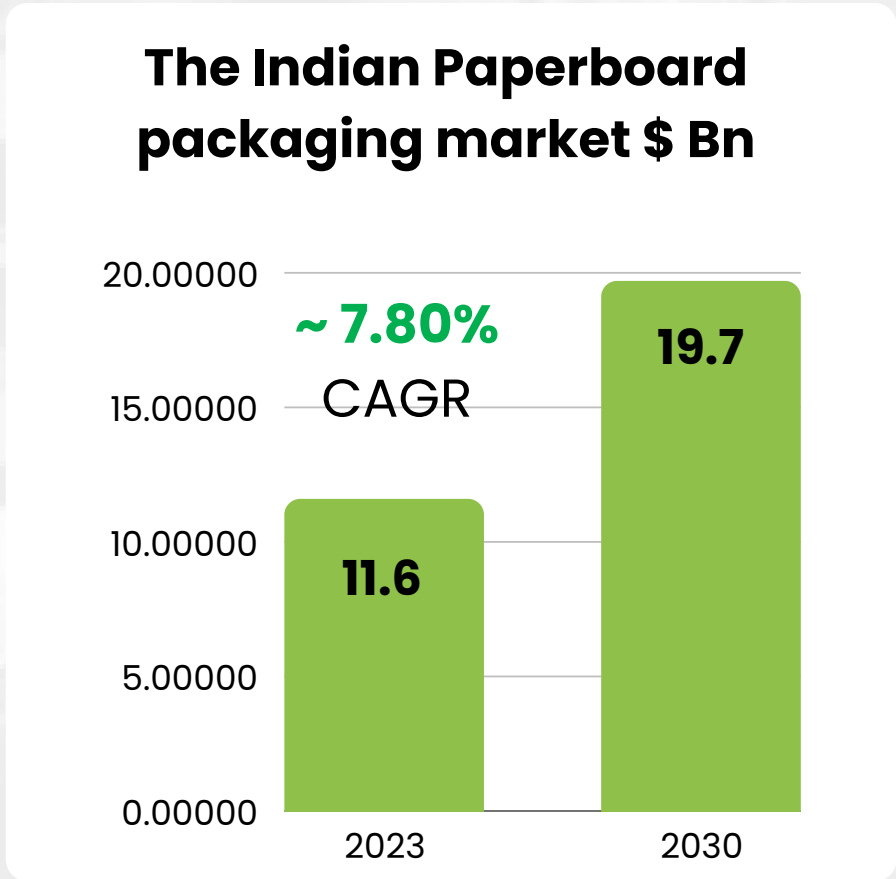
Demand for **value-added products & services** like customization, printing, and supply chain solutions is rising

Growing investments in **food processing, personal care, and pharmaceutical industries** have created opportunities for paper packaging market expansion.

Untapped potential within the larger packaging landscape

Packaging is currently the **5th largest** sector of Indian economy

Paperboard and multi-grade paper packaging is outpacing the overall packaging market growth

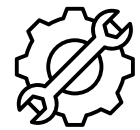


Securing a dominant market share will remain elusive if these operational bottlenecks are left unresolved:

- Lack of steady supply of raw materials such as kraft paper, paperboard etc
- Price volatility significantly impact margins
- Unreliable suppliers and inconsistent quality standards
- Supply chain disruptions

Primary need of the paper packaging industry

Meeting the evolving demands of the paper packaging solution industry, necessitates **primary input suppliers** to prioritize:



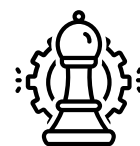
Ensuring stable raw material supply and maintaining quality assurance standards.



Implementing innovative eco-friendly solutions to align with sustainability goals.



Establishing a robust infrastructure and optimizing supply chain networks for seamless operations.



Strategically differentiating products and fostering diversity to meet varied market demands.



- Production of various papers, tissues, and specialty papers.
- Manufacturing of cardboard and other paper-based products.

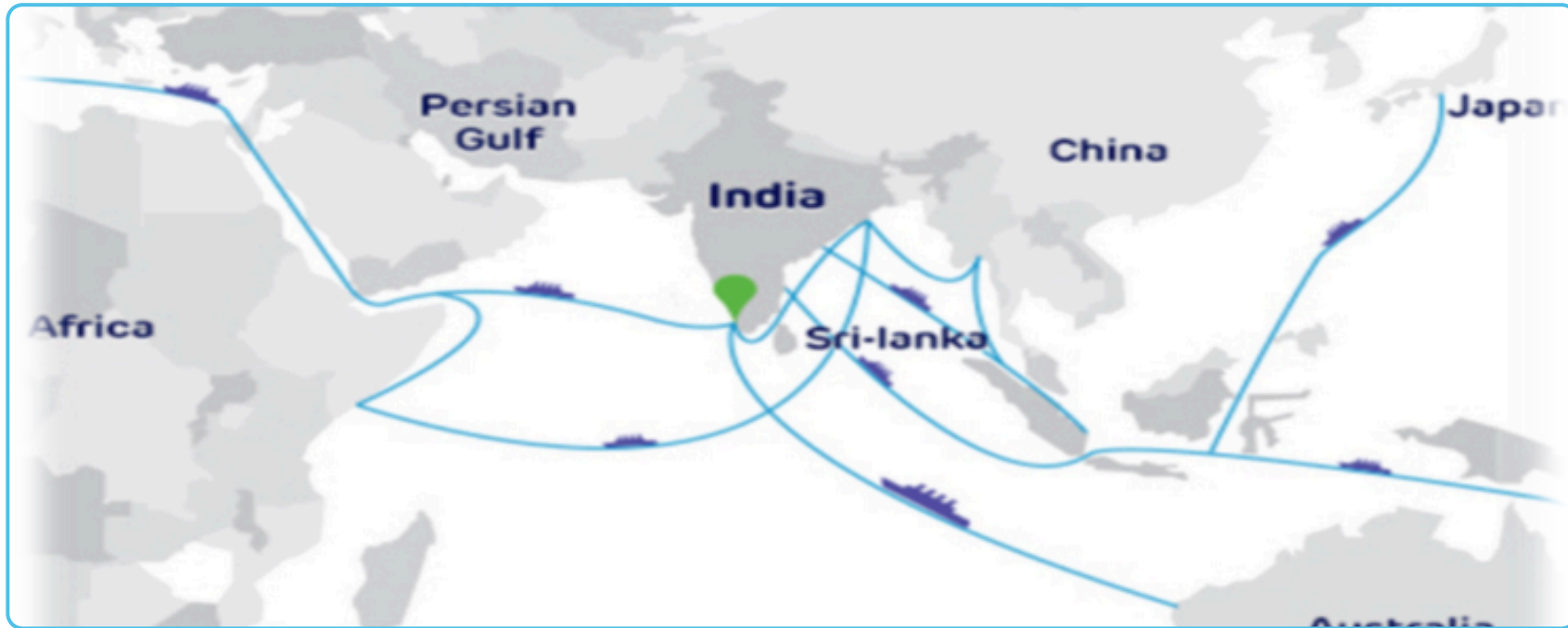


- **Specialize** in paper-based packaging: corrugated boxes, folding cartons, tubes.
- **Produce** paperboard containers and various packaging products.



- Specialize in sourcing and stocking packaging materials.
- Distribute packaging supplies from manufacturers and wholesalers.

Unlock Your Path to a Bright Future: Prime Location Near Ports and Abundant Water Resources



Advantages of Proximity to Vizhinjam Port

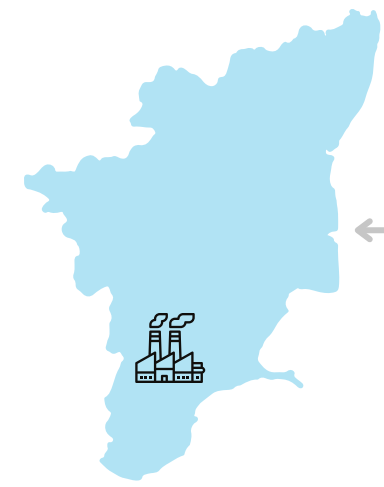
- New transshipment port launching by **December 2024**.
- Competing with global ports like **Colombo, Salalah, Dubai, and Singapore**.
- Capable of handling **ultra-large** ships draft depth of 20m, enhancing market competitiveness.



Significant Reduction in Import-Export cost



Alleviating competitiveness across both local and global markets

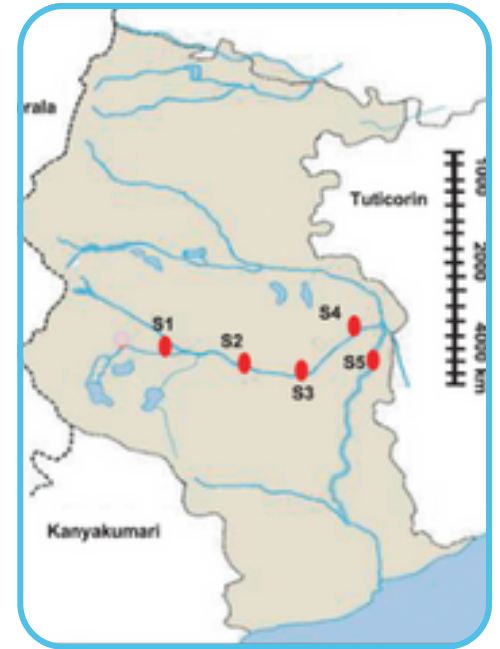


Tuticorin Port (70 kms from factory)

Advantages of Proximity to Tuticorin Port

- Tuticorin is **cost-effective for EXIM** compared to Cochin and Chennai ports.
- Offers **superior infrastructure and efficiency** over Chennai Port.
- Provides direct shipping routes to **the US and Europe**.
- Abundance of **ICDs and CFSS**, strategically located for container transportation.

Tirunelveli



Subam Papers: **6 km** from Thamirabarani River

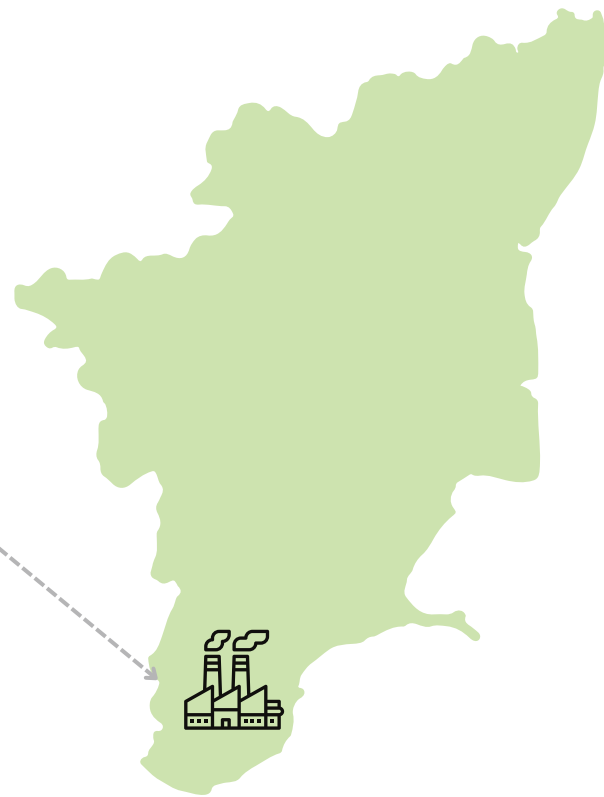


This river receives **2 rain seasons** yearly

Approved to withdraw **27 Lakh Ltr / day** of Water from river sources

A game changer for Indian landscape

Located **18km from the International Shipping Channel.**



Advantages of Proximity to Vizhinjam port -

Once phase 1 is completed.....

Capable of handling **1 million TEUs** (20-ft container units)

Succeeding phases adds **6.2 million TEUs.**

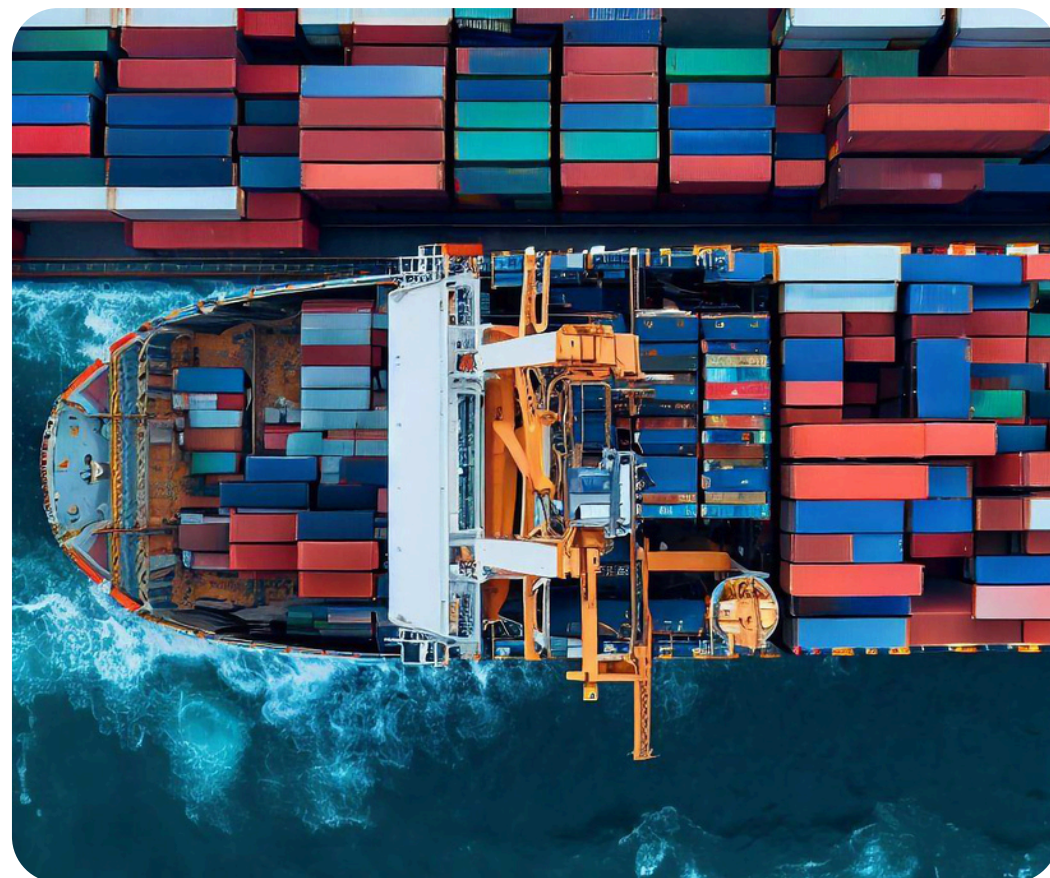
Significant Reduction in Raw Material and Transportation Costs

Developed by **Adani Ports** in association with Central and State Government

With over **70% of India's transshipment** trade routed through the port, Subam stands to gain substantially.

The port's dominance in Indian trade promises **significant benefits for Subam in the coming years.**

The lengthy **3 to 5-year timeline** for new competitors to establish capacity gives **Subam a competitive edge.**



Name	Natural Draft Depth	Dredged Draft Depth	Distance from International Shipping Channel
Vizhinjam port	20	~	19 km (10 nmi)
Mundra Port	14	18.5	2,229 km (1,204 nmi)
JNPT,Mumbai	13	16.3	1,332 km (719 nmi)
Hazira Port	12	15.5	1,573 km (849 nmi)
Cochin Port	10	13.5	130 km (70 nmi)
Colombo Port	14	19.5	90 km (49 nmi)
Singapore Port	14	19	100 km (54 nmi)
Dubai Port	14.5	17	1,500 km (810 nmi)
Shanghai Port	15	19	1,200 km (648 nmi)



Monthly Report of Recent Economic and Financial Developments

Month	Revenue	Profit	Expenses	Growth	Margin
3/8/14	3331	11	0	37	522
3/9/14	3346	15	0	504	1923
3/10/14	3361	14	2	523	1989
3/11/14	3373	9	1	520	2016
3/12/14	3388	7	0	458	1453
3/13/14	3396	8	0	280	1889
3/14/14	3407	17	1	316	1059
3/15/14	3424	11	0	71	1935
3/16/14	3434	10	0	112	1139
3/17/14	3444	10	0	30	2562



Company Overview



- Established in **2004, Subam Papers Limited is a leading manufacturer and supplier of Kraft papers, Paper cones , Paper tubes, Duplex boards and corrugated Boxes** situated in Tirunelveli, Tamil Nadu to meet global demand.
- **Caters to** the ever-evolving needs of the paper packaging solution industry
- Tailored products for diverse industries with innovative **ERP-powered inventory management.**
- Commitment **to sustainability** with precision and quality in **eco-friendly** packaging solutions.

Pinch Point

Mission

Empowering a Sustainable Future : Crafting exceptional Eco friendly Recycled Packaging Products with unmatched quality and timely services , with renewable energy, Enriching Lives with Unparallel Customer Satisfaction

Vision

“Fostering Joyful Prosperity : Empowering Stakeholders and Cultivating a Thriving Society.”



Key business highlights

CONSISTENT GROWTH



Consistently achieving **21% Revenue CAGR** over 20 years.

ALL KINDS OF PAPER PRODUCTS



Market leader in manufacture and supplier of Kraft papers, paper cones, paper tubes, duplex boards and corrugated boxes

VAST CLIENTELE NETWORK



>1000 clients across diverse sectors including automotive, textiles, pharmaceuticals, FMCG, distilleries, food, electricals, and more.

STABLE RATINGS



The current Rating and Outlook is **[ICRA]A- (Stable)** dated **March 21,2024**

PIVOTING 1000 TONS/ DAY



Increasing from **30 tons** per day (tpd) in **2006** to **1000 tpd by 2026**.

IMPACT ON VALUATION



2X revenue and **3X** profitability in the **next 2 years (2024-26)**.

ESG Goals



Recycling of Waste Paper , **Self-sufficient** infrastructure of wind and Solar power for **100% energy requirement**.

Subam Paper's unparalleled products offerings

Biggest supplier in South India, supplying **high-quality Kraft papers, Paper cones, Paper tubes, Duplex boards and corrugated Boxes** tailored to diverse industrial packaging requirements.



Kraft Paper



Strongest for tough packaging needs like industrial bags, grocery bags, and multiwall sacks.



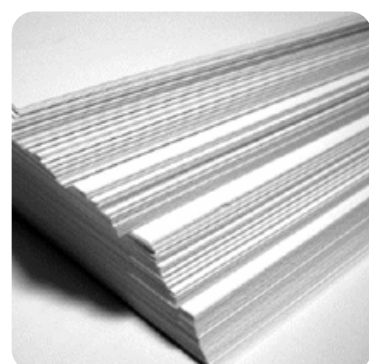
Paper Cones & Tubes



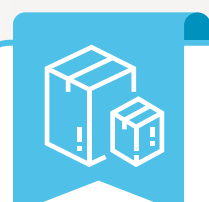
Paper cones and tubes provide sturdy winding bases for yarn fabric, adhesive, and electrical industries, with heavy-duty cardboard for robust use and thinner options for products like toilet paper.



Duplex Board



Duplex board is widely utilized in packaging for creating boxes, cartons, folding cartons, and various printing materials like posters, brochures, visiting cards, and wedding cards.



Corrugated Boxes



Corrugated boxes: versatile, durable, and essential for packaging and transporting goods, offering strength, cost-effectiveness, printability, and protection for various products.

Key Specific Features

All packaging grade in one roof

2

1

Adherence to **ISO 9001** Quality management systems

3

Odor Less Paper

Paper available lower GSM to higher GSM

4

5

Cost effective products

Shades- Natural, Golden Yellow, Brown

6

Tailoring our offerings to meet end-user needs

Kraft Paper



Industrial bags, grocery bags, and multiwall sacks

Paper Cones & Tubes



Paper cones used in textile for Yarn Carries

Duplex Boards



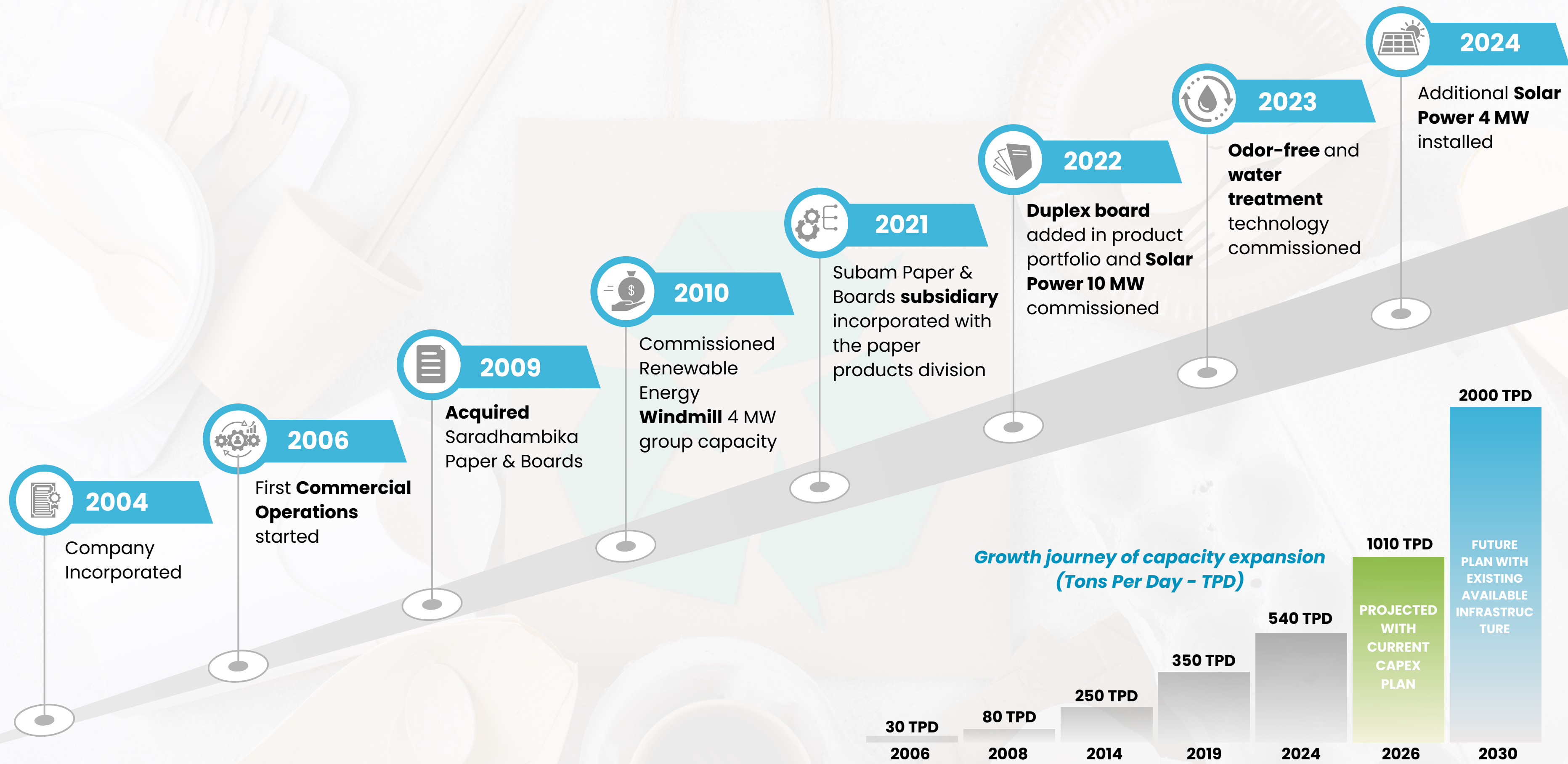
Folding Boxes , brochures & Wedding Cards

Corrugated Boxes



Boxes used for Electronics , Electrical wires, Chemicals, Pizza Box and Mono carton Box.

Impressive journey so far

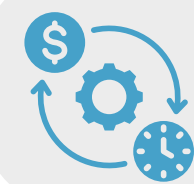


Enhancing value through forward integration



Control over supply chain and quality assurance

Enhances operational efficiency and reduces dependency on external suppliers, mitigating risks associated with price fluctuations or supply chain disruptions.



Cost efficiency with in-house manufacturing

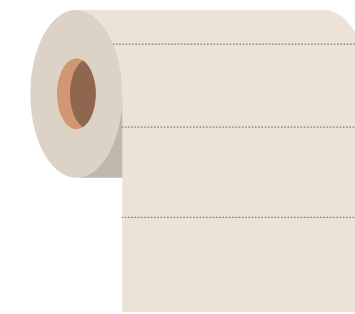
Through economies of scale, improved coordination, and reduced transaction costs.



Flexibility in customization and innovation

Allows for differentiation thereby strengthening the brand's market positioning

Primary input material



Kraft Paper



Multigrade Paper & Paper Products

Strategic advantage that has potential to significantly enhance our margins and competitive positioning

Capturing value at multiple stages of the value chain to extract additional margins from each unit of output, **thus maximizing profitability and shareholder value.**



Organizational capabilities

State-of-the-art manufacturing facility



5 paper machines to produce different grades of packaging products.



Utilization of a **fully automated** facility ensures a high level of precision in the product manufacturing process.



In-house lab equipped with necessary facilities to monitor all the process parameters (GSM, RCT, Burst Factor, Moisture test, Cobb value) and maintain quality standards.



Existing machines upgraded: **120–300 gsm**. New VOITH machine: **60–180 gsm**, fully automated, for carry bags, table tops, printing, and food packaging, paper cups and containers

Revolutionizing production: USP of deployed machinery

Subam is **the 1st company** in India to implement and incorporating cutting-edge technology and state-of-the-art systems to manufacture high-quality packaging grade papers meeting global standards.

01

Honeywell's **automated slicing** controls the **2-sigma** value of Basis weight and uses **QCS & DCS** for consistent quality products.

02

Voith-Duo Former enhances **formation** and **dewatering** in the web's top side to produce both sides of homogenous products.

03

Voith-Tandem Shoe Press improves sheet **dryness** and controls sheet bulk, with reduced power consumption due to German **A S Direct Drives**.

04

The Film Sizer maintains a **uniform** CD profile coat weight, controlled by the NIP Correct – Voith Calander.

05

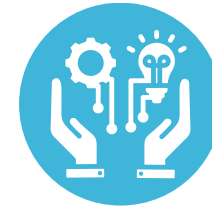
Voith Sulzer Blower ensures **vacuum efficiency** and control flexibility, while Siemens Profinet & IMCC enable faster **diagnostics** and control.



Our R&D drives innovation in odor-free paper

Innovative Technology:

- Successfully implemented Anaerobic Reactor technology.
- Precise chemical selection yields methane gas for fuel in boilers resulting in zero liquid discharge (ZLD) to ensure lesser water usage.



Leaders in Adaptation:

- Surpassed competitors by embracing and mastering complex technologies swiftly
- Addressed microbiological growth challenges in India's warm, moist climate



Operational Optimization:

- Tackled issues like machine runnability, sheet quality, washups, and shutdowns
- Conducted root cause analysis to optimize processes and eliminate foul odor





Infrastructure

- Land reserve spanning 400 acres, capable of production up to 2000 tons per day.
- Permitted to extract **2.7 million liters daily** from the nearby river and gather 1 million liters daily via rainwater harvesting.
- Existing **14MW** solar capacity, **4MW** windmill, and planned **8MW** biomass cogeneration for future.
- This will enable us to generate all the energy we need and help to achieve **self-sufficiency**.



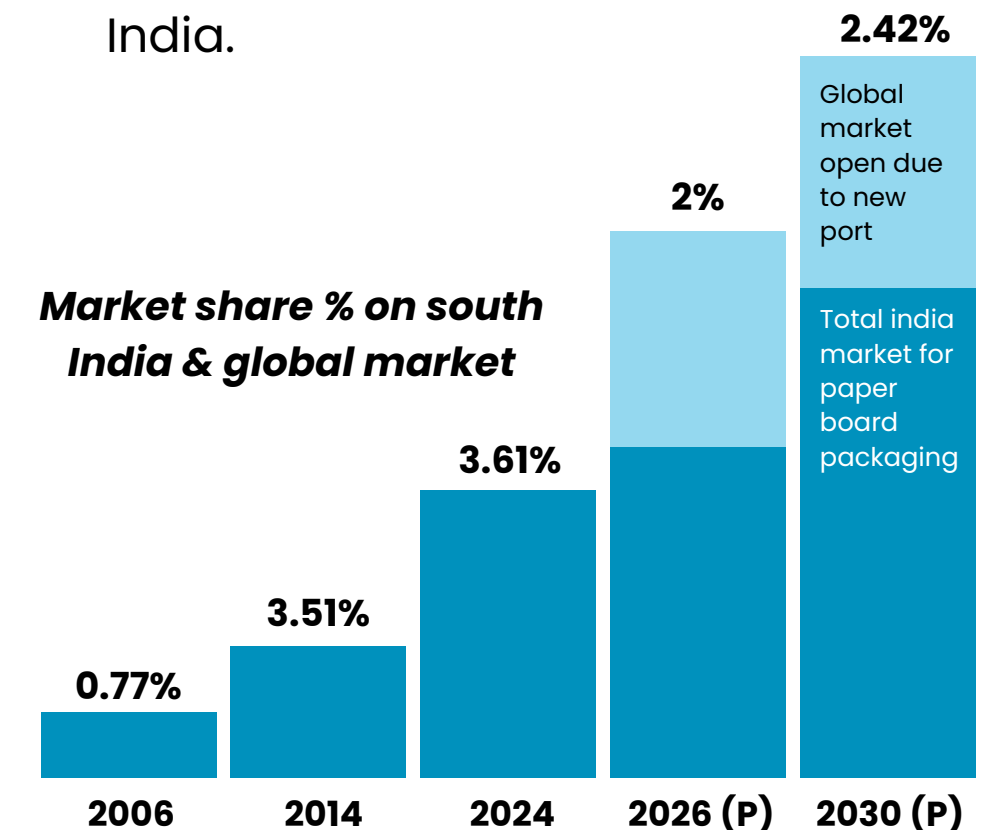
Raw Materials

- Our global vendor network ensures uninterrupted, high-quality raw material supply at competitive prices.
- With our **strategic proximity to Tuticorin and Vizhinjam ports**, we anticipate a substantial reduction in raw material cost.
- Manufacture products from recycled waste paper to reduce reliance on wood fiber.



Market Size

- Subam Paper's presence in the South Indian market saw a rise from 0.77% in 2006 and is projected to escalate to **6.12% by 2030**, in South India.





Competitive landscape

Particulars	Paper Packaging Manufacturing			Paper and Paper Products	
	Subam Papers	B&B Triplewal	Pakka Ltd.	JK Paper	West Cost Paper Mills
Input Material	100% Recycled Wasted Paper	Purchase of Kraft Paper	Recycled Agriculture Waste	Raw Material From sustainable sources	Uses Wood Pulp
Product portfolio	Kraft paper Paper cones and tubes Duplex board Corrugated boxes	Corrugated boards Corrugated boxes Corrugated rolls Corrugated display Custom packaging	Food packaging (food carry bags , molded food service ware)	office & Copier Paper Coated Paper Writing And Printing Paper Packaging Solutions	Premium Printing Papers Printing & Writing Papers Business Stationary Packaging Solution
GSM	120-300	N/A	30-100	140-414	160-250

Formidable entry barrier and supply chain: The Subam Papers advantage



Automation Challenges for Smaller Capacities:

Rising labor costs, both skilled and unskilled, pose difficulties for smaller capacities in adopting automation due to the high initial investment required.

Environmental Clearance Challenges for New Industries:

Environmental clearance hurdles for new industries due to high pollution control costs, limiting entry for small players.

Resource Challenges for Competitors in Large Capacity Plants:

Acquiring ample water and land resources poses a significant challenge for competitors aiming to establish large capacity plants competitively.

Strategic Location Advantage: Gateway for Trades

Strategic Vizhinjam Port Inauguration Elevates Subam's Competitive Position in South India; Port Dominance Benefits Subam, While New Competitors Face 3-5 Year Setup Time.

Driving Innovation through latest technology:

Odor-free tech in white paper production with European Biomass Reactor for sustainable wastewater treatment.



ISO certification from TUV

Signifies compliance with international standards, enhancing global market acceptance and credibility for your products or services.



FSC certification from SGS

A global certification that ensures forest management practices comply with the internationally recognized standards of the FSC.



Group Structure & Team



T. Balakumar – Chairman & Managing Director

Mr. T. Balakumar, a visionary first-generation entrepreneur, holds a degree in **Mechanical Engineering from PSG College of Technology**. With **over 33 years** of expertise in the field of paper and allied products, he currently serves as the **Chairman & Managing Director** of the company. His leadership is characterized by a strong commitment to sustainability and a forward-thinking approach.

Currently serving as Chairman of the **Development Council for Pulp, Paper, Allied Industries, Govt. of India**.

Business ventures as first-generation entrepreneur:

- 1991: Established FIRST PAPER PRODUCTS with bank funding.
- 2004: Founded SUBAM PAPERS PVT LTD for kraft paper.
- 2009: Acquired majority shares of SARADHAMBKA PAPER & BOARDS.
- 2024: Expanding to South India's largest recycling facility for diverse packaging papers.

Achievements under dynamic leadership

- Two-time largest importer at Tuticorin Sea port.
- Recognized as top taxpayer in Tirunelveli Circle.
- Employs about 1000 rural individuals.
- Conducts diverse CSR activities.
- Appointed Chairman of DPIIT's Development Council for Pulp, Paper & Allied Industries, Ministry of Commerce



Sudha Balakumar – Director

Mrs. Sudha Balakumar is a visionary leader, holds a **Post graduate degree in science**. With **over 25 years of expertise** in the field of paper and allied products she is currently **Director** of the company and looks after **Finance and Administration departments**.



R. Venkatesh – Executive Director

Mr. R. Venkatesh is an engineering graduate with **post graduation in Business Administration**. With **over 27 years of experience** in manufacturing and operations is the **Executive Director** of the company. He currently leads the **Manufacturing & Marketing department**.



V .Varun Rengarajan – Vice President

V . Varun Rengarajan with **B.E. in Mechanical Engineering, M.S. in Australia in Business Administration. 6 years** Paper Division experience. Also **son-in-law** of our MD, strengthening family-business ties.



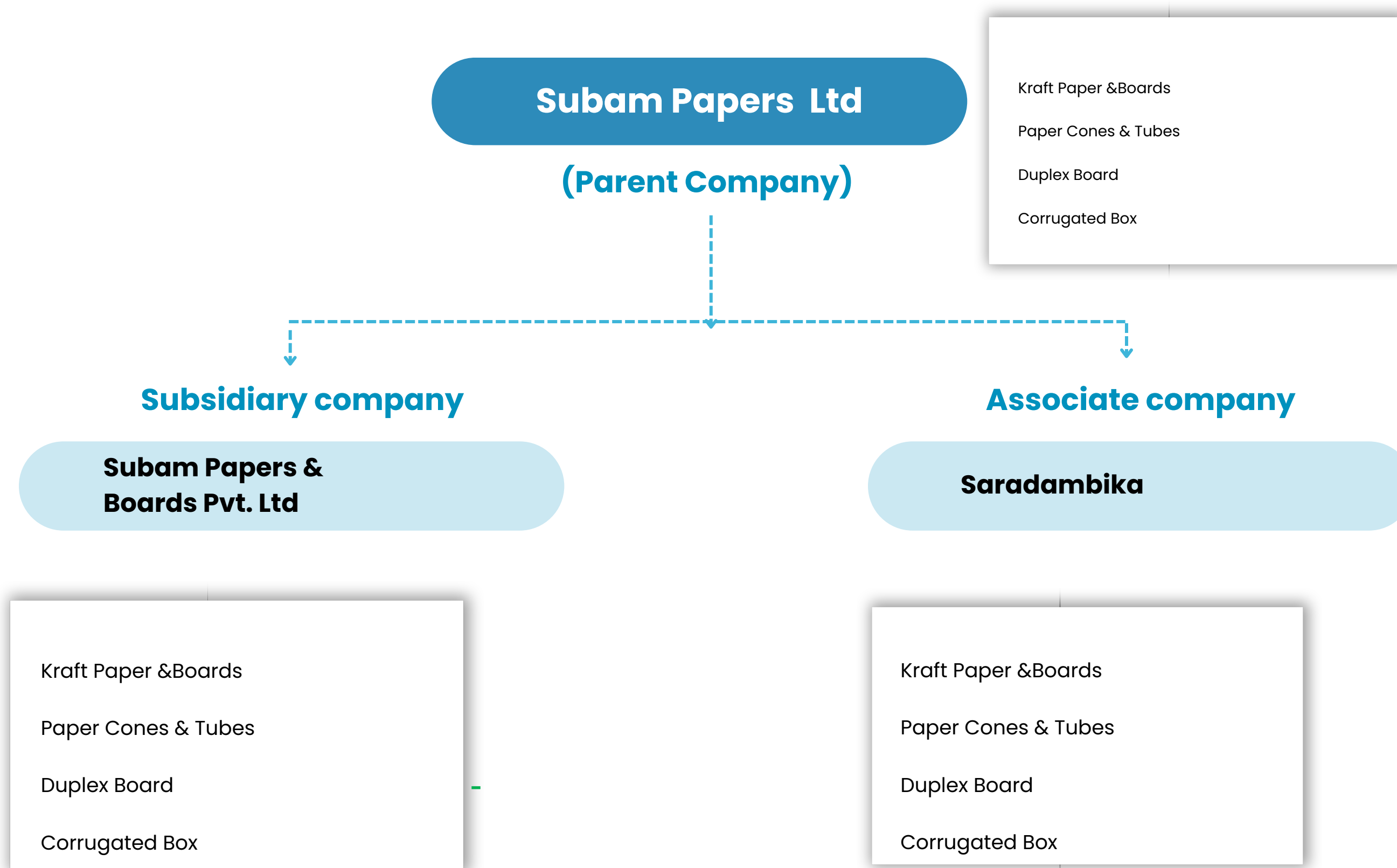
Jahir Hussain – CFO

Jahir Hussain with **M.Com graduate** with **over 30 years of experience in accounting.** Provided **14 years of dedicated service at Subam,** proficiently managing **Accounts & Finance autonomously.**



B.MADHUMITHA – Vice President

B.MADHUMITHA with **B.E. in Industrial Engineering, M.Sc. in Innovation & Entrepreneurship from University of Warwick, UK. 6 years** experience in Supply Chain Management & Administration. **Daughter of MD.**





Financial Overview



P&L Summary (In INR Lakhs)



Particulars (INR Lakhs)	2021-22	2022-23	2023-24
	Consolidated		
Revenue From Operations	32,927.45	50,829.89	49,386.46
Other Income	332.42	232.47	310.85
Total Income	33,259.87	51,062.36	49,697.31
Cost of Materials Consumed	26,802.86	43,151.69	37,281.99
Changes in Inventories	(1,217.43)	(298.62)	183.91
Employee Benefits Expense	1,397.13	2,142.09	2,120.60
Finance Costs	307.31	1,414.53	1,767.51
Depreciation and Amortization	666.72	1,596.56	1,296.71
Other Expenses	1,835.39	2,559.75	2,466.64
Total Expenses	29,791.98	50,566.01	45,117.35
Profit before exceptional and extraordinary items and tax	3,467.89	496.35	4,579.95
-CSR Provision	37.60	129.45	61.23
-Prior Period Items		-3.34	-
Profit before tax	3430.28	370.24	4,518.73
Current Tax	716.95	-	772.88
Deferred Tax	216.49	438.59	443.16
Total Tax Expense	933.44	438.59	1216.05
Profit (Loss) for the period	2496.84	(68.35)	3302.69
Add/(Less): Share of profit/(loss) of Associate Companies	103.24	41.74	39.10
Add/(Less): Minority Interest's share in profit/(loss)	0.01	(0.18)	0.01
Profit (Loss) for the period	2600.23	(26.79)	3341.80

Balance sheet summary (In INR Lakhs)



Particulars (INR Lakhs)	2021-22	2022-23	2023-24
	Consolidated		
Equity and Liabilities			
Share Capital	163	163	163
Reserves and Surplus	16,426	16,400	19,741
Minority Interest	1	1	1
Total Shareholders Fund	16,590	16,564	19,905
Accounts Payables	5,382	6,829	5,064
Short-term Borrowings	5,595	6,437	9,578
Short-term Provisions	829	129	226
Other Current Liabilities	747	885	1,289
Total Current Liabilities	12,553	14,280	16,157
Long-term Borrowings	9,979	9,846	8,763
Deferred Tax Liability	186	624	1,067
Other Long-term Liabilities	0	0	0
Long-term Provisions	111	121	154
Total Non-Current Liabilities	10,276	10,591	9,984

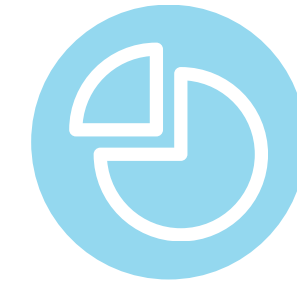
Balance sheet summary (In INR Lakhs)



Particulars (INR Lakhs)	2021-22	2022-23 Consolidated	2023-24
Assets			
Property, Plant & Equipments & Intangible Assets	12,361	21,565	22,402
Non-Current Investments	971	1,009	1,048
Long-term Loans and Advances	0	0	0
Capital Work in Progress	4,231	14	2,198
Deferred Tax Assets	0	0	0
Goodwill on Consolidation	371	371	371
Other Non-Current Assets	2,531	975	422
Total Non-Current Assets	20,465	23,933	26,441
Cash and Cash Equivalents	787	762	1,093
Accounts Recievables	8,881	9,482	11,076
Short term Loans and Advances	2,173	2,683	1,209
Inventories	5,645	4,221	5,733
Other Current Assets	1,468	354	494
Total Current Assets	18,954	17,502	19,605
Total Assets	39,419	41,435	46,406



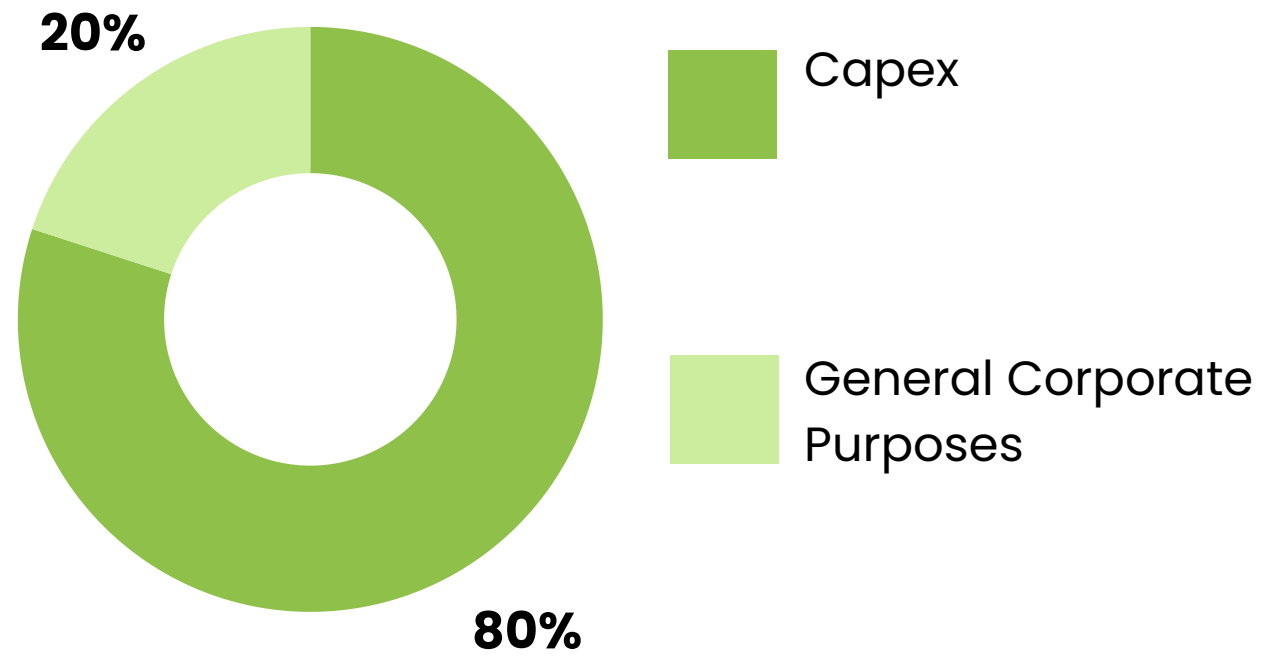
Price Band – 144 to 152 per equity share



Lot Size – 800 equity shares

Anchor Issue Opens/Closes	27th September, Friday	Listing At	BSE SME
Opening on	30th September, Monday	Book Running Lead Manager	Gretex Corporate Services Limited
Closing on	3rd October, Thursday	Market Maker	Gretex Share Broking Limited
IPO Tentative Listing on	8th October, Tuesday	QIB Portion	29,28,000 Equity Shares
Issue Type	Fresh Issue	Anchor Portion (60% of QIB)	17,56,800 Equity Shares
Offer Type	Price Band	Net QIB	11,71,200 Equity Shares
Total Issue Size (in shares)	Upto 61,64,800 Equity Shares	HNI Portion	8,78,400 Equity Shares
Issue Size at Upper Band (in Rs)	Rs 93.70 Crores	Retail Portion	20,49,600 Equity Shares

Key Utilisation Details



Capital Expenditure requirements (75 crores)

01

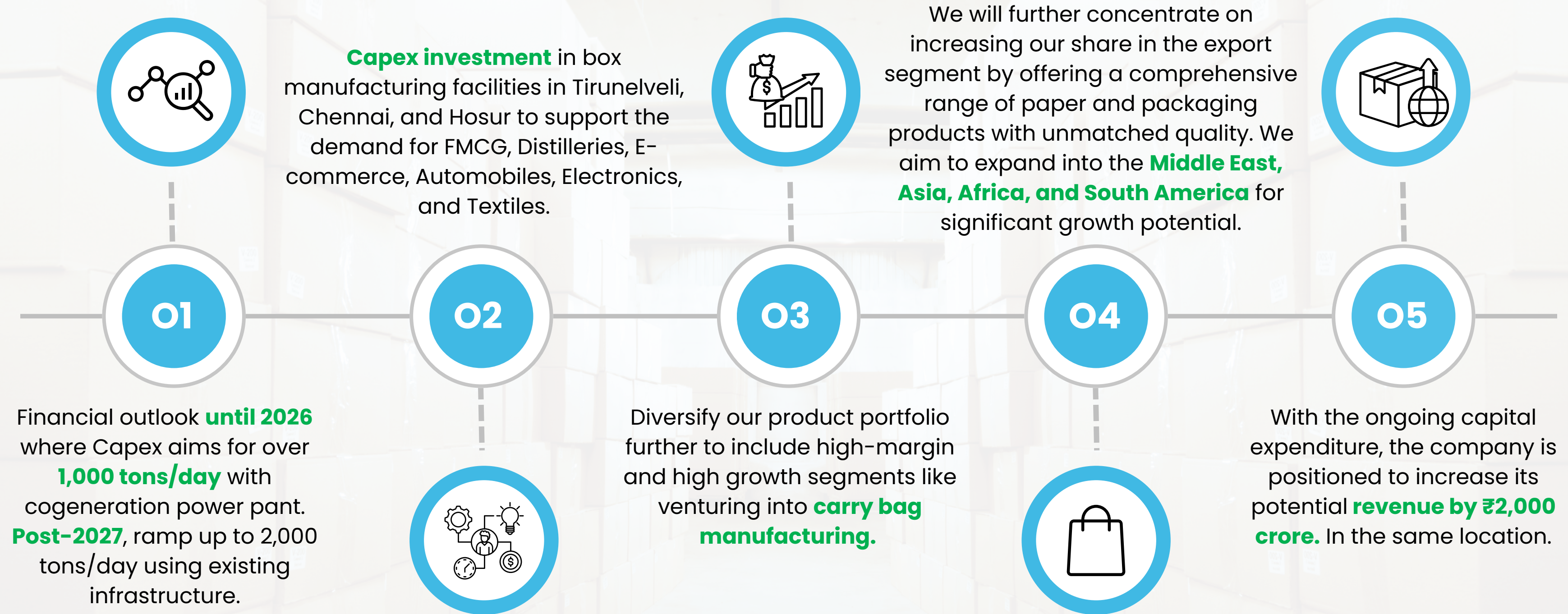
General Corporate Purpose [.]

02

Fund Requirement to be Utilized
93.7 Crores

**at upper band*

Paving the exceptional journey ahead





Subam Papers Limited



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