

Business Overview of 3B Films Limited

3B Films Limited is primarily engaged in the manufacturing and supply of Cast Polypropylene (CPP) and Cast Polyethylene (CPE) films, which are extensively used in the flexible packaging industry and high-end thermoforming applications. These films serve a variety of sectors including food and beverage, clothing, floral products, and other consumer goods. Their products range in thickness from 15 to 250 microns.

In addition to manufacturing, the company started trading adhesive laminated films in FY 2023-24 and recorded a turnover of ₹22.59 crore from this segment. To capitalize further, the company plans to install its own manufacturing facilities for adhesive laminated films in the future.

Key Highlights:

- Equipped with advanced machinery imported from Italy and Germany.
- Manufactures specialty films such as high-clarity and high-barrier films to cater to premium and extended shelf-life packaging needs.
- Also engaged in reprocessing of manufacturing scrap into granules, contributing to sustainability and additional revenue streams (₹4.64 crore in FY24).

The company is strategically positioned in the packaging value chain and is targeting expansion in both product range and production capacity.

Industry in which 3B Films Limited Operates

3B Films Limited operates in the **Flexible Packaging Film Industry**, specifically within the **plastic films segment**. Its core products—Cast Polypropylene (CPP) and Cast Polyethylene (CPE) films—are widely used in the **flexible packaging industry**, which caters to sectors such as:

- **FMCG (Fast-Moving Consumer Goods)**
- **Food and Beverage Packaging**
- **Pharmaceuticals**
- **Textiles and Garments**
- **Agricultural products**
- **Industrial packaging**

This industry is a sub-segment of the broader **Plastic Packaging** and **Polymer Film Industry**, which has been witnessing robust growth in India and globally due to:

- Increasing demand for packaged food and consumer goods
- Rising retail penetration
- E-commerce growth
- Stringent hygiene and safety standards post-COVID

3B Films caters to both **domestic and international markets**, aligning with the growing trend toward **lightweight, cost-effective, and recyclable packaging solutions**. Their products are part of the **value-added packaging material supply chain**, making them integral to **high-barrier and performance film applications**.

Company Financials in crores

Particulars	Dec 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations	56.79	75.74	71.79	67.37
EBITDA	11.96	14.99	9.90	7.97
EBITDA Margins	21.06%	19.79%	13.80%	11.83%
EBIT (Operating Profit)	9.43	11.87	6.63	4.78
PAT	4.20	4.29	0.91	-0.34
PAT Margins	7.40%	5.67%	1.28%	-0.51%
ROCE	6.91%	8.64%	5.30%	3.82%
Debt to Equity Ratio	2.89	3.45	3.70	3.86
CFOA	13.76	1.63	3.32	-3.20

Comparison with peers

As per RHP no listed peers of the company.

IPO Details

- **IPO Type:** Fixed Price SME IPO
- **Issue Size:** ₹33.75 crore
 - **Fresh Issue:** 35.52 lakh equity shares aggregating to ₹17.76 crore

- **Offer for Sale (OFS):** 31.98 lakh equity shares aggregating to ₹15.99 crore
 - **Price per Share:** ₹50
 - **Lot Size:** 3,000 shares
 - **IPO Opening Date:** May 30, 2025
 - **IPO Closing Date:** June 3, 2025
 - **Listing Exchange:** BSE SME platform
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Shareholding Pattern

Category	Pre-Issue Holding (%)	Post-Issue Holding (%)
Promoter Group	96.75%	69.96%
Public Shareholders	3.25%	30.04%

The Offer for Sale (OFS) includes shares from promoter shareholders: Ashokbhai Dhanjibhai Babariya, Mukesh Dhanjibhai Babariya, and Gulabben Nitin Babariya.

Objectives of the IPO

The net proceeds from the fresh issue are proposed to be utilized for:

- **Capital Expenditure:** ₹4.43 crore
- **Working Capital Requirements:** ₹7.15 crore
- **General Corporate Purposes:** ₹4.43 crore

- **Issue Expenses:** ₹1.74 crore
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Investment Considerations

Strengths:

- Advanced manufacturing facilities with machinery imported from Italy and Germany.
- Diverse product portfolio catering to various sectors including food, FMCG, and consumer goods.
- International certifications such as ISO 9001:2015 and BRCGS, ensuring quality and compliance.
- Established export presence in markets like the UK, UAE, Africa, and South Asia.

Risks:

- Company was historically operating with low margins; however, margins have shown a sudden and sharp improvement just before the IPO, which raises concerns about sustainability post-listing.
 - The company has not demonstrated consistent growth in sales over recent years
 - Existing debt obligations that may affect financial flexibility.
 - Criminal Proceedings against the company and its promoters.
 - Contingent Liability of Rs. 20 Cr.
 - Low capacity utilization.
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Valuation of the company

Market Cap - Rs. 123.86 Cr.

PAT FY 2024 - Rs. 4.29 Cr.

Projected PAT FY 2025 - Rs. 5.60 Cr

PE Ratio (on the basis of FY 24 PAT) - 28.87

Forward PE Ratio (on the basis of FY 25 PAT) - 22.11



Conclusion

3B Films Limited operates in the growing flexible packaging industry, backed by modern manufacturing infrastructure and a certified product portfolio that caters to both domestic and international markets. The company has recently diversified into trading and plans to further expand into adhesive laminated films manufacturing, which could enhance its revenue streams.

However, the IPO timing raises certain red flags. The company, which historically operated with thin margins and stagnant sales, has shown a sudden improvement in profitability just before the IPO. This, coupled with limited sales growth and high reliance on key raw materials, suggests that investors should approach the offering with caution. While the valuation appears reasonable on the surface, long-term sustainability of margins and revenue growth will be the key metrics to track post-listing.