

BOBST INDIA PRIVATE LIMITED



Bobst SA is the leading world-wide supplier of equipment and services in the production of folding cartons, corrugated board, and flexible materials

Global Overview of Bobst

Bobst Group was born way back in 1890 when its founder Joseph Bobst opened a printing supplies shop in Lausanne, Switzerland. In 1915, the company produced its first equipment and in 1917 Bobst was registered as a trade name. In 1978, the company was renamed Bobst Group SA and was listed on the Lausanne Stock Exchange for the first time. Since then, the company has been on an expansion programme, opening offices across the globe.

With over thirty companies around the globe, the Bobst Group forms the most efficient organisation serving the world-wide solid board, corrugated board and flexible materials industries. It is a global supplier of packaging equipment and services, specialising in folding cartons, corrugated board and flexible materials. Serving packaging manufacturers around the world, the company's equipment helps print, cut, stamp, glue, fold and laminate all kinds of boxes, bags, and packages used to contain and display consumer products. Its equipment is sold under various trade names, some of which are established brands.

The Group is formed of companies that complement each other. Its partners share their know-how when seeking quality solutions, which enable customers to realise the best return on their invested capital. "Total Quality" is applied throughout all activities of the Group. Employees are trained to apply this principle and to continue to earn customer loyalty. Numerous companies and exclusive representatives around the world compose the world-wide service and sales network of the Bobst Group. These local companies maintain solid, close relationships with all members of the Group and strengthen their position with regional training and demonstration centres.

Thanks to its regional presence, the Bobst Group can intervene with appropriate solutions and the ability to adapt technical support to meet varying needs. They are empowered to respond to customer demands with regards to training, specific adaptations, or spare part requests. The company prides itself on being a "Provider of Solutions" and makes every attempt to establish close relationships with its customers. The range of its products and services demonstrates the Group's willingness to find a solution to almost any situation. They are supported by training and productivity improvement programmes, allowing the customers to add value to their

Company	Mode of presence in India	Year of entry	Key business
Bobst India Private Limited	100 per cent subsidiary	1994	Packaging Machinery

Bobst Group's trade names for packaging equipment

Folding Carton

- Atlas
- Bobst
- Asitrade
- Steuer

Flexible Materials

- Atlas
- General
- Schiavi
- Rotomec
- Titan

Corrugated Board

- Asitrade
- Martin
- Rapidex
- Bobst
- BHS

production. For the year ending December 2005, the company had a turnover of US\$ 1.21 billion. Bobst has almost 5,600 employees globally. In addition to Switzerland, France, Italy, England and Germany, manufacturing and assembly are also performed at the Group's facilities in Brazil, China and India.

Bobst in India

Bobst India Private Limited, a 100 per cent subsidiary of the global conglomerate, started operations in India in 1994 for reconditioning packaging machines for the global market. At its refurbishing plant near Pune (Maharashtra), Bobst India has to date, rebuilt 38 machines (both folder gluers and die cutters), which have been supplied to the Indian and overseas market. The Indian unit later became a 100 per cent export oriented unit (EOU) and went on to manufacture models of flexible packaging machines for markets across the world. The flexible segment of the business is likely to drive the company's growth in the future.

Today Bobst India is an integral part of the boom being witnessed in the Indian packaging industry. The group holds close to 80 per cent market share in the packaging equipment industry in its domain. In 1994, the number of Bobst machines installed

in the country were 17. In 2004, the number had gone up to 287. Of the 287 machines installed in India, approximately 200 are in the folding carton segment. Significantly, all the 12 new product-lines that Bobst displayed at Drupa 2004 (a trade fair held in Düsseldorf, showcasing the latest technologies in media production and processing live in action), have been installed in India. These include the Spanthera 106 LE, SPeria 106 E, Fuego, Mistral, Alpina II folder gluers, and the Speria Foilmaster 102 foil stamping press.

Bobst India also provides after-sales service for the packaging and printing machinery imported from its principals. Its Indian customers are satisfied with the quality of service provided. The company has launched its first phase of manufacturing - a reel stand for the Schiavi brand of gravure presses. After this, the company plans to manufacture laminators for the Indian market. In its subsequent phase, the company will build the entire machines, especially the ones that are used for flexible packaging.

The company grossed roughly US\$ 17 million in revenues in 2004. By 2008, with local manufacturing in full swing, its revenue is slated to touch US\$ 22 million.

Key Success Factors in India

For years, the Indian corrugated box industry has been characterised by low technology and has been reserved for the small-scale sector. With the booming white goods industry, the use of the corrugated box as a primary package is increasing. At the same time, the market dynamics is witnessing increased customer demand for an improved secondary package. Bobst India has been responding aggressively to the emerging demands and to the need to upgrade and innovate. Some of its key success factors are as mentioned here.

Strong network of sales agents

Rodolphe Keller, President, Bobst India, in 2004 said that till now, Bobst India was handling only the folding carton and corrugated business areas directly, while the other business such as flexible material was being represented by various sales agencies in India. Bobst placed on record its appreciation for all the agencies that have so far established the brands in the market as it now takes over their sales directly.

Growth of flexible packaging industry in India

In India, Bobst sees the market for flexible packaging as one of the biggest markets and one of the fastest growing markets in the world. This is mainly because flexible packaging is cost-effective and the growth of this market in India has been phenomenal - a compounded annual growth rate of 20-22 per cent for the last several years. Not only are Indian manufacturers realising the need for better packaging for domestic markets, but exports are also growing. Moreover with organised retail growing and with increasing disposable incomes, there is a greater demand for processed food, beverages, healthcare products, personal care products and consumer durables. All these products require quality packaging, not only to contain and preserve the products, but also enhance the product appeal.

Strong and loyal customer portfolio

Some of the important customers in the Bobst portfolio are ITC-PPD Ltd and Parkson Packaging Ltd. These were among the first few who invested in new Bobst equipment in the early 1990s and have more than 25 new Bobst machines between themselves. These include the Bobst Autoplaten die cutter SPrintera 106 PER (the fastest running die cutter in the world at 12,000 sheets an hour) and Alpina 110 A-3 (the most technologically advanced folder gluer running at 600 meters a minute). Other major packaging customers

are the Borkar Packaging Group (which owns more than 11 Bobst machines) and Twenty First Century Packaging (which owns 8 Bobst converting machines).

Bobst's customers are present all across the country. In North India, leading players like International Print-O-Pack, Khemka Containers, Kumar Printers, HBD Packaging, Compack Enterprises and Nutech Packaging have bought Bobst converting equipment. In Western India, which has been always the major hub for folding carton conversion, the emergence of successful players like Utility Printers, Award Packaging, Param Packaging, Paramount Printers, Kohinoor Printers, Temple Packaging as well as old players like Nebula and VFC Ltd, has led to strong relationships with Bobst. In South India, Bobst has been associated with pioneers like Paper Products and printers like Global Packaging, Modern Printers, Kamasiri Flex, Chandamama and RS Graphics, which have carved a niche in the folding carton business. In East India, Bobst has important installations at York Printers, the biggest packaging house in that region. Bobst India with its service and technical support from Bobst S.A has played a key role in the Indian folding carton industry's accelerated growth over the last decade.

“Solution Provider” approach

The Bobst Group realises the need for a one-stop company for meeting various types of packaging equipment needs and wants to be known as a supplier of “creative yet cost effective solutions” in all technologies in the packaging arena. Bobst India plans to provide services such as training, productivity improvement programs, trouble shooting and critical support functions to its customers. Apart from direct sales of flexible packaging equipment, Bobst India has also started exporting machine modules to group companies.

Future Plans

The strong niche player position of Bobst Group, its place and reputation in its traditional markets, its strategy to implement steps to allow future growth, and its unique geographical positioning - having early on initiated strong presence in important upcoming markets like Brazil, China and India, underlined by local production facilities - are key factors which enable facing the future with confidence.

India offers the largest opportunities for flexible packaging in the Asian region as it is one of the world's largest producers of food grains and the largest producer of fruits and vegetables. Until now 8 per cent of the produced wheat and up to 40 per cent of all fruits and vegetables are wasted due to the lack of proper packaging and distribution. As packaging demand grows, Bobst India will witness a growth in the demand of its products.

India is expected to be one of the key centres for flexible business for the company. Bobst Group will also be looking at designing and engineering services from India.

Bobst's India operations

- *Set up operations in India as a refurbishing plant to rebuild machines, later went on to manufacture models of flexible packaging machines for markets across the world as a 100 per cent EOU*
- *By 2004, had installed 287 machines in India, most of them in the folding carton segment*
- *Also provides after-sales service for the packaging and printing machinery imported from its principals*
- *Grossed roughly US\$ 17 million in revenues in 2004, by 2008 expected to increase to US\$ 22 million*