



A) About Company:

Mamata Machinery manufactures machinery used in the flexible packaging industry. This includes machines for pouch-making, bag-making, and other types of flexible packaging processes.

Company offers comprehensive range of products serving the entire flexible packaging market value chain covering:

(a) bag and pouch making machines – which converts roll of plastic films into bags and pouches;

(b) packaging machines – which are used to fill the end products into pouches categorised as horizontal form fill and seal machines (“HFFS”), vertical form fill and seal machines (“VFFS”) and pick fill seal machines (“PFS”) for smaller volume requirements;

(c) co-extrusion blown film machines – which are used for processing various polymer granules into co extruded multilayer films. The films may have mono layer, three, five and seven layers.

Company sells machines under the brand name “**Vega**” and “**Win**”.

Company operates two machine manufacturing facilities, one in **India** and one in the **USA**.

B) Packaging Industry:

It is estimated that the Indian packaging industry accounts for approximately 10 to 15% of the global packaging industry.

The global packaging machinery market's size was estimated to be USD 46.8 billion in 2022, slated to grow to USD 60.8 billion by 2028, witnessing a 4.5% CAGR increase between 2022-28. Considering these influential factors, the Indian packaging machinery industry has seen a CAGR of 9.33% between 2020 and 2023, reaching an estimated value of **USD 5.5 billion**, a marked increase from the USD 4.2 billion recorded in 2020.

C) Financials of the company:

In Cr.

Particulars	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations	27.62	236.61	200.87	192.24
EBITDA	(0.30)	47.18 (19.94%)	23.74 (11.82%)	29.94 (15.57%)
PAT	0.20 (0.79%)	36.13 (15.27%)	22.51 (11.20%)	21.70 (11.29%)
ROCE	(0.78%)	31.29%	15.71%	25.73%
CFOA	(1.81)	19.38	17.17	37.19
Cash Conversion Ratio	Negative	41.07%	72.33%	124.22

D) Comparison with Peers:

Companies	Revenue	EBITDA	PAT	D/E Ratio	MCap	P/E
Mamata Machinery (FY 2024)	236.61 Cr.	47.18 (19.94%)	36.13 (15.27%)	0.03	598 Cr.	16.55
Rajoo Engineers (TTM)	220 Cr.	33 Cr. (15%)	25 Cr. (11.36%)	0	4,336 Cr.	177
Windsor Machines (TTM)	337 Cr.	17 Cr. (5%)	-47 Cr.	0.05	2,585 Cr.	In Loss
Kabra Extrusion (TTM)	508 Cr.	68 Cr. (13%)	36 Cr. (7.08%)	0.24	1,829 Cr.	51.20

E) Positive and Negative Points:

Positive:

- a) Specializes in manufacturing **flexible packaging machinery**, which is a growing sector driven by increased demand for packaging solutions globally.
- b) The company has been in operation since **1979** with decades of experience in the machinery sector.
- c) The flexible packaging industry is poised for growth due to increasing demand in FMCG, e-commerce, and healthcare sectors.
- d) Decent EBITDA and PAT Margins.
- e) Low P/E multiples as compared to peers.
- f) Positive operating cash flows.

Negative:

- a) The packaging machinery industry is **highly competitive**, with domestic and international players posing pricing and technological challenges.
- b) Demand for machinery is closely tied to capital expenditure in manufacturing industries, which can fluctuate with economic downturns.
- c) The **Mamata Machinery IPO** is entirely an **Offer for Sale (OFS)**, with no funds going into the company. However Promoters are exiting at a seemingly low valuation.
- d) Mamata Machinery, with a current market cap of **₹598 crore**, is smaller compared to the leading listed player **Rajoo Engineers**, which has a market cap of **₹4,336 crore**. If the company executes its business strategy successfully and capitalizes on growth opportunities, it has the potential to scale to a similar level as **Rajoo Engineers** over time.

F) IPO details:

Fresh Issue: Nil

OFS: 73,82,340 shares

Issue Price: Rs. 230 - Rs. 243 Per Equity Shares.

Issue Size: 179.39 Cr.

Pre IPO promoter holding: 92.45%

Post IPO promoter holding: 62.45 %