

Incorporated in April 1979, Mamata Machinery Limited manufactures and exports machines for making plastic bags, pouches, packaging, and extrusion equipment. The company provides manufacturing solutions for the packaging industry. Mahendra Patel, Chairman and Managing Director, holds a Master of Science degree in industrial engineering and administration from Cranfield Institute of Technology and has over 44 years of experience in the machine building industry. Its Joint Managing Director, Chandrakant Patel, holds a Bachelor of Engineering degree from L.D College of Engineering & has more than 37 years of experience in the field of technology and manufacturing.

**Business Overview :**

- Products manufactured using company's machines are used across several industries as packaging applications, such as the packing of food and FMCG products.
- Mamata Machinery Limited primarily sell its packaging machinery to direct consumer brands catering to the FMCG, Food, & Beverage Industry and bag and pouch making machines to converters and service providers who, in turn, mainly catering the FMCG and consumer industry.
- Company's machineries are also utilised in non-packaging applications, such as e-commerce bags and garment packaging bags.
- The company consistently endeavour to expand its product offerings and solutions to its customers.
- The company's customers include Balaji Wafers Private Limited, Dass Polymers Private Limited, Jflexy Packaging Private Limited, Euphoria Packaging Private Limited, Sunrise Packaging, Om Flex India, Chitale Foods, V3 Polyplast Private Limited, Dhalumal Packaging Industries LLC, Laxmi Snacks Private Limited, Ganges Jute Private Limited, Western India Cashew Company Private Limited and N. N. Print & Pack Private Limited and Gits Food Products Private Limited and Emirates National Factory for Plastic Ind LLC.
- Company also provides after-sales service to its customers. As part of its focus on innovation, it has launched new and advanced machines from time to time.
- In 1989, company started its commercial operation as a manufacturer of microprocessor-controlled bag-making machines.
- It evolved periodically by introducing various categories of packaging applications. In 1997, company entered the film extrusion machinery business. In 1998, it started exporting bag and pouch making machines to the European Union.
- To further expand its reach, company began its operations in the United States through its wholly-owned subsidiary, Mamata Enterprises Inc., in 2003.
- As of September 30, 2024 company has supplied its machines to over 75 countries. The company has international offices in Bradenton, Florida, and Montgomery, Illinois, as well as sales agents in over five countries across Europe, South Africa, and Asia.
- The company has two machine manufacturing facilities, one in India and one in the USA.
- In India, its manufacturing facility is located on Sarkhej - Bavla Highway, Sanand, Ahmedabad, Gujarat, with a total area of about 20,662 square meters and manufacturing facility in the USA is located in Bradenton, Florida, and it focuses on product applications, design and development of machines, and customisation of the machines sold in the USA.
- It provides end-to-end solutions for the entire ecosystem of plastic film-based flexible packaging, offering services from concept to commissioning throughout the complete lifecycle of its machinery.

|                        |                        |
|------------------------|------------------------|
| <b>NSE SYMBOL</b>      | <b>MAMATA</b>          |
| <b>SECTOR</b>          | <b>ENGINEERING</b>     |
| <b>ISSUE SIZE</b>      | <b>Rs. 179.39 Crs.</b> |
| <b>PRICE BAND</b>      | <b>Rs. 230 - 243</b>   |
| <b>BID SIZE (Nos.)</b> | <b>61</b>              |
| <b>FACE VALUE</b>      | <b>Rs. 10.00</b>       |
| <b>MARKET CAP</b>      | <b>Rs. 597.97 Crs</b>  |
| <b>RATING</b>          | <b>NEUTRAL</b>         |

| <b>TENTATIVE DATES</b>       |                      |
|------------------------------|----------------------|
| <b>ISSUE OPEN DATE</b>       | <b>19TH DEC 2024</b> |
| <b>ISSUE CLOSE DATE</b>      | <b>23RD DEC 2024</b> |
| <b>BASIS OF ALLOTMENT</b>    | <b>24TH DEC 2024</b> |
| <b>INITIATION OF REFUNDS</b> | <b>26TH DEC 2024</b> |
| <b>CREDIT OF SHARES</b>      | <b>26TH DEC 2024</b> |
| <b>LISTING DATE</b>          | <b>27TH DEC 2024</b> |

- Company offer comprehensive range of products serving the entire flexible packaging market value chain covering:
  - bag and pouch making machines – which converts roll of plastic films into bags and pouches;
  - 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;
  - co-extrusion blown film machines – which are used for processing various polymer granules into coextruded multilayer films. The films may have mono layer, three, five and seven layers.
- Company sell its machines under the brand name “Vega” and “Win”. As of September 30, 2024, company has installed over 4,500 machines in 75 countries around the world.
- It has a healthy track record of revenue growth and profitability, as evidenced by the growth in its revenue from operations, from Rs. 192.25 crore in Fiscal 2022 to Rs. 236.61 crore in Fiscal 2024, at a CAGR of 10.94%, while its EBITDA has grown from Rs. 29.94 crore in Fiscal 2022 to Rs. 47.20 crore in Fiscal 2024, at a CAGR of 25.53 %.
- Company’s Promoters are Mahendra Patel, Chandrakant Patel, Nayana Patel, Bhagvati Patel, Mamata Group Corporate Services LLP and Mamata Management Services LLP.
- Chairman and Managing Director, Mahendra Patel, holds a Master of Science degree in industrial engineering and administration from Cranfield Institute of Technology and has over 44 years of experience in the machine building industry. Its Joint Managing Director, Chandrakant Patel, holds a Bachelor of Engineering degree from L.D College of Engineering and has more than 37 years of experience in the field of technology and manufacturing.

(Source— RHP)

## STRENGTHS

- Among the leading exporter of machinery and equipment for bag and pouch making machinery, packaging machinery and co-extrusion blown film machinery and attachment.
- Advanced manufacturing infrastructure and material knowledge to customize systems and products based on customer specifications.
- Technology-driven operations with a strong focus on quality, innovation-led research and development, leading to products that cater to dynamic market requirements.
- Customer-centric operations, with an extensive global sales and distribution network.

(Source— RHP)

## OBJECTS OF THE OFFER

- **The Offer for Sale** - Company will not receive any proceeds from the Offer for Sale of shares of Rs. 179.39 crores. The Selling Shareholders will be entitled to their respective portion of the proceeds of the Offer for Sale.

## RISKS

- Significant increases or fluctuations in prices of, or shortages of, or delay or disruption in supply of primary materials could affect its estimated costs, expenditures and timelines
- The company is heavily dependent on the performance of the FMCG, Food & Beverage and Consumer Industry.
- For the three month period ended June 30, 2024 and for the Fiscal 2024, 2023 and 2022 the inventory level days were 880 days, 255 days, 282 days and 291 days respectively, failure to maintain optimal inventory levels could increase its operating costs or lead to unfulfilled customer orders, either of which could have an adverse effect on its business, financial condition, results of operations and prospects.
- Company face significant competitive pressures in its industry. Its inability to compete effectively would be detrimental to its business and prospects for future growth.
- Any negative cash flows in the future would adversely affect its cash flow requirements.

**PEER COMPARISON**

|                           | Face Value (Rs.) | CMP In Rs. (18-12-2024) | TTM EPS (Rs.) | BV per share (Rs.) | P/E (X)     | P/BV (X)   | M. Cap / Sales |
|---------------------------|------------------|-------------------------|---------------|--------------------|-------------|------------|----------------|
| Rajoo Engineers           | 1.00             | 280.00                  | 1.62          | 8.54               | 172.8       | 32.8       | 20.9           |
| Windsor Machines          | 2.00             | 379.50                  | 0.00          | 35.59              | NA          | 10.7       | 7.3            |
| Kabra Extrusion           | 5.00             | 517.30                  | 10.51         | 132.26             | 49.2        | 3.9        | 3.6            |
| <b>Mamata Machinery**</b> | <b>10.00</b>     | <b>243.00</b>           | <b>14.65</b>  | <b>54.18</b>       | <b>16.6</b> | <b>4.5</b> | <b>2.5</b>     |

(\*\*On upper price band and on FY 2024 EPS)

**PROFIT & LOSS A/C**
**(In Rs. Crore.)**

|  | FY 2022 | FY 2023 | FY 2024 | 3 MONTHS JUN FY 2025 |
|--|---------|---------|---------|----------------------|
| Revenue                                      |         |         |         |                      |
| Revenue from Operations (Net)                | 192.25  | 200.87  | 236.61  | 27.62                |
| Other Income                                 | 4.32    | 9.26    | 4.70    | 1.57                 |
| Total Income                                 | 196.57  | 210.13  | 241.31  | 29.19                |
| Expenses                                     |         |         |         |                      |
| Cost of Raw Material And Components Consumed | 92.44   | 87.07   | 90.62   | 29.09                |
| Changes in inventories                       | -7.14   | 4.82    | 9.62    | -20.80               |
| Employee Benefits Expense                    | 36.78   | 39.91   | 43.80   | 9.23                 |
| Finance Cost                                 | 1.13    | 1.06    | 1.53    | 0.18                 |
| Depreciation And Amortization Expenses       | 3.59    | 3.43    | 3.41    | 0.75                 |
| Other Expenses                               | 40.23   | 45.32   | 45.39   | 10.41                |
| Total Expenses                               | 167.03  | 181.61  | 194.38  | 28.87                |
| Profit/ (loss) before tax                    | 29.54   | 28.52   | 46.93   | 0.32                 |
| Tax Expense                                  |         |         |         |                      |
| Current Tax                                  | 6.75    | 4.88    | 9.33    | 0.15                 |
| Earlier Year Tax adjustment                  | 0.00    | 0.00    | 0.34    | 0.01                 |
| Deferred Tax                                 | 1.09    | 1.14    | 1.13    | -0.05                |
| Profit/(loss) for the period                 | 21.70   | 22.51   | 36.13   | 0.22                 |

**BALANCE SHEET**
**(In Rs. Crore.)**

|                               | FY 2022 | FY 2023 | FY 2024 | 3 MONTHS<br>JUN FY 2025 |
|-------------------------------|---------|---------|---------|-------------------------|
| Assets                        |         |         |         |                         |
| Property, Plant and Equipment | 59.26   | 61.41   | 61.52   | 61.32                   |
| Capital Work-in Progress      | 0.00    | 0.00    | 0.00    | 0.44                    |
| Investment Property           | 0.07    | 0.05    | 0.05    | 0.05                    |
| Right to Use Assets           | 1.95    | 1.12    | 1.66    | 1.38                    |
| Other Non-current assets      | 49.44   | 66.66   | 53.10   | 45.00                   |
| Total Non-current Assets      | 110.72  | 129.23  | 116.33  | 108.19                  |
| Inventories                   | 71.81   | 70.28   | 69.80   | 90.59                   |
| Current Investments           | 7.00    | 0.00    | 0.00    | 0.00                    |
| Trade Receivables             | 16.33   | 17.60   | 37.28   | 21.14                   |
| Cash & Bank Balance           | 2.47    | 5.17    | 3.97    | 7.55                    |
| Other Current Assets          | 8.01    | 6.19    | 10.11   | 13.38                   |
| Total Current Assets          | 105.61  | 99.24   | 121.16  | 132.66                  |
| Total Assets                  | 216.33  | 228.47  | 237.49  | 240.85                  |
| Equity and Liabilities        |         |         |         |                         |
| Equity Share capital          | 2.97    | 2.97    | 2.73    | 24.61                   |
| Other Equity                  | 101.08  | 124.90  | 129.65  | 108.71                  |
| Total Equities                | 104.06  | 127.88  | 132.38  | 133.32                  |
| Borrowings                    | 3.90    | 2.82    | 2.57    | 2.49                    |
| Lease Liabilities             | 1.18    | 0.98    | 0.87    | 0.65                    |
| Provisions                    | 0.21    | 0.21    | 0.55    | 0.34                    |
| Deferred Tax Liabilities      | 0.45    | 0.36    | 0.70    | 0.78                    |
| Total Non-current Liabilities | 5.74    | 4.37    | 4.69    | 4.27                    |
| Borrowings                    | 16.96   | 15.82   | 9.02    | 1.85                    |
| Lease Liabilities             | 0.76    | 0.30    | 1.01    | 0.95                    |
| Trade payables                | 30.56   | 25.27   | 27.55   | 34.59                   |
| Other Current Liabilities     | 58.26   | 54.84   | 62.84   | 65.86                   |
| Total Current Liabilities     | 106.53  | 96.22   | 100.42  | 103.26                  |
| Total Equity & Liabilities    | 216.33  | 228.47  | 237.49  | 240.85                  |

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