

<b>Recommendation - BUY</b>	<b>Target - 500 to 530</b>
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<b>CIN</b>	<b>L67120KA1987PLC032636</b>
<b>ISIN</b>	<b>INE435H01015</b>
<b>Incorporation Year</b>	<b>1987</b>
<b>Industry</b>	<b>Packaging</b>
<b>Listing Status</b>	<b>Unlisted</b>
<b>Location</b>	<b>Bengaluru</b>

#### Share Holding - FY 2016

<b>Promoter Holding</b>	<b>56.82%</b>
<b>Public</b>	<b>43.18%</b>

#### 3 Years Financial Highlights - Ending March ( In Crs.)

Particulars	2016	2015	2014
<b>Total Income</b>	548	528	444
<b>EBITDA</b>	150	116.642	81.7879
<b>PAT</b>	58	35	26
<b>EBITDA Margin (%)</b>	27%	22%	18%
<b>PAT Margin (%)</b>	11%	7%	6%
<b>EPS (in Rs.)</b>	42.30	25.85	19.20
<b>Equity share capital</b>	13.71	13.54	13.54
<b>Face value</b>	10	10	10
<b>Net Worth</b>	235.45	180.97	147.93
<b>BV</b>	171.74	133.66	109.25

#### About Manjushree Technopack Limited – " Largest Perform Producer"

- Manjushree Techopack Limited , Bengaluru based conglomerate is one of the leader in providing Packaging solutions and also manufactures and sells PET/Plastic Performs and Containers. The company has 2 large manufacturing units located at Bommasandra & Bidadi spread over 1 lac Sq. Meters.
- Manjushree Technopack displays a strong financial growth over the years** , with CAGR growth of 11% in total income of Rs. 548 crs. in FY 2016 (Rs. 444 crs in FY 2014) & PAT growth of 49% i.e. Rs. 58 crs in FY 2016 (Rs. 26 crs in FY 2014).Export earning stood at Rs. 47.80 crs in FY 2016 impacted due to increase in localize purchase and forex fluctuation.
- The company Declared an Interim Dividend of 20% in FY 2016.**
- Strategic Investment:** Kedaara Capital is an operationally oriented private equity firm has acquired 40% stake in Manjushree Technopack Limited. This Strategic Investment will help Manjushree in achieving its target of becoming Rs. 1000 crs + company by 2020 with their strong holding in few well – known companies such as Mahindra Logistics , Au Finance , etc. and their wide experience and expertise in Packaging business .
- Plastic packaging Industry in India is expected to grow by \$ 73 billion in 2020 from \$32 billion in 2015** , with annual growth rate of 18% in general and 20-25% in flexible and rigid packaging as per latest FICCI report . Since Plastic packaging reduces transportation cost , enables more shipping , improves hygiene quotient and shelf life of products it is highly recommended and used among FMCG , food and beverages , Pharma etc.
- So based on strategic investment , strong growth in Industry and geographical expansion along with expanding manufacturing capacity , so considering PE - 12 , ~Sales and PAT growth of 10% for FY 2017 and ~EPS(FY2017) of 44 -45, Yearly Price target is Rs. 500 to 530/- Share**

# Peer Comparison

<b>STANDALONE FINANCIAL STATEMENT FOR YEAR ENDED - 2016 (In Crs.)</b>					
Particulars	Manjushree Technopack	UFLEX	ESSEL PROPACK	TIME TECHNO	HUHTAMAKI PPL- Dec 2015
<b>Total Income</b>	548.38	6144.80	2208.38	2474.00	2051.62
<b>EBITDA</b>	149.88	841.23	440.89	350.10	246.52
<b>PAT</b>	57.74	312.83	182.00	138.00	76.93
<b>EBITDA Margin (%)</b>	27%	14%	20%	14%	12%
<b>PAT Margin (%)</b>	11%	5%	8%	6%	4%
<b>Interest</b>	15.09	176.97	62.30	96.23	40.37
<b>EPS (in Rs.)</b>	42.09	43.32	11.59	6.57	10.58
<b>Equity Share Capital</b>	13.72	72.21	31.41	21.00	14.54
<b>Reserves</b>	221.73	3271.52	944.35	1132.00	604.00
<b>Total Debt</b>	<b>182.62</b>	1772.88	636.63	600.99	486.76
<b>Bookvalue</b>	171.63	463.06	62.13	54.90	85.08
<b>Face value</b>	10.00	10.00	2.00	1.00	2.00
<b>CMP</b>	0.00	277.00	247.00	91.50	240.00
<b>MCAP</b>	0.00	2000.22	3879.14	1921.50	1744.80
<b>P/E (X)</b>	0.00	6.39	21.31	13.92	22.68
<b>P/BV</b>	0.00	0.60	3.98	1.67	2.82
<b>MCAP/BV</b>	0.00	4.32	62.44	35.00	20.51
<b>MCAP/PAT</b>	0.00	6.39	21.31	13.92	22.68
<b>MCAP/EBITDA</b>	0.00	2.38	8.80	5.49	7.08
<b>MCAP/SALES</b>	0.00	0.33	1.76	0.78	0.85

- Margins of Manjushree Technopack Limited are far better than listed peers. EBITDA Margin is 27%(15% Avg. Industrial Margin) and PAT Margin is 11% (6% Avg. Industrial Margin).
- Debt of the company is far less compared to listed peers i.e., Rs. 182 crs which brings D/E ratio to 0.77 times.
- **We Recommend “BUY” based on Following Parameters**
  1. Considering ~10% growth in both sales and PAT front in FY 2017.
  2. Industrial growth – Expected to be 20-25% in Plastic Packaging Segment in India.
  3. Capacity & Geographical Expansion.
  4. Strategic Investment by Kedaara Capital .
- **So considering above parameters and PE of 12 , MCAP/SALES – 1 time and MCAP/EBITDA – 4, We Recommend “BUY” with as yearly Target of Rs. 500-530/share and considering same PE- 18 at the time of delisting offer in 2015 at Rs.455/share the long run target stands at Rs. 700-760/share.**



Registered Office :  
M-192, Khatiwala Tank, Indore - 452 014  
0731-4025544, 4025545  
Email: [query@oswaltrading.com](mailto:query@oswaltrading.com)  
[www.oswaltrading.com](http://www.oswaltrading.com)

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**Disclaimer: Investor Please note all the securities which come out with IPO, the pre IPO shares are locked in for one year from the date of listing. Please consul your CA for TAX related queries.**