

Vimal Kedia, Founder and Managing Director, Manjushree Technopack Ltd

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Vimal Kedia, Founder and Managing Director, Manjushree Technopack Ltd has done his Bachelors in Commerce from Guwahati University. He envisioned the huge potential presented by the packaging sector, way back in 1984 and went on to set up Manjushree's plant in Bommasandra, Bangalore. Under his leadership, Manjushree, from its modest beginnings, has today become a Rs. 1650 million packaging giant with its customers being leading FMCG, Pharma and Beverage majors. For his outstanding contribution to the packaging sector in India, he has been felicitated with the "Best Entrepreneur" award from the President of India.

Manjushree Technopack Ltd. (Formerly Manjushree Extrusions Limited) is involved in the manufacture of specialty plastic packaging products for domestic and export markets, it caters to the needs of leading companies in FMCG, Liquor, Carbonated Soft Drinks, Pharma and Food Processing sectors. Over the years, Manjushree has built expertise in providing rigid packaging solutions for PET, Monolayer and Multilayer Containers by utilizing European and Japanese technologies. Manjushree Technopack offers total packaging solutions under one roof, right from Concept to Design, R&D, Tooling and Commercialization of the package.



Speaking with **Yash Ved** of **IIFL**, Vimal Kedia says, "With the entry of multinationals, companies have realized that packaging is much more than a 'container' for products."

How do you see industry going forward over the next two years?

The packaging industry in India is growing at a rate of more than 20% and we expect this rate to go up in the coming years. We are witnessing a trend where a lot of conversion is happening from glass and other forms of packaging to plastic, on the back of its stability, safety and lower costs. We expect this conversion to continue and take place at an even faster rate in the next two years. We also feel that the perception regarding packaging itself is changing fast in the country.

With the entry of multinationals, companies have realized that packaging is much more than a 'container' for products. Today, packaging acts as a major differentiator

and especially in categories where the actual product difference is minimal packaging becomes a critical factor when the customer decides to select one brand over the others. In the coming years, this realization about packaging is set to deepen and brands would expect better and innovative packaging solutions than ever before.

Comment on your manufacturing facility? What is the capacity and utilization?

Manjushree has two manufacturing facilities situated in Bangalore. The combined capacity utilization currently is 30,000 metric tones (MT). However, plans are underway to increase the capacity to 36,000 metric tones (MT) because of steadily rising demand. Manjushree has built expertise in all kinds of rigid packaging solutions including - PET Containers, Multilayer PP Containers and PET Preforms, that utilise European, Japanese and Canadian technologies.

What is your capex plan? How are you planning to raise the funds?

We are planning to invest Rs1bn for FY11 in order to build a new factory on 15 acre plot allotted by Government of Karnataka. We will raise funds through our borrowings from the State Bank of India.

Brief us about your agreement with Husky Injection Molding Systems

The company has commissioned the HYPET Series Machines from Husky Injection Molding Systems, Canada, to produce PET Preforms. HUSKY Technology is the de facto benchmark in the industry to produce the highest quality of packaging material for the beverage, juice and bottled water sectors. This was a part of the expansion project funded via the public issue of our shares in 2008. With this expansion, the installed capacity of the company stands at 24000 MTPA or 3 million preforms per day, which is the largest in the country.

Tell us more about your exports.

We export our products to regions like USA, South Africa, Gulf and Australia with packaging solutions that are pegged at globally acceptable quality standards.

What is the revenue mix?

95% of the revenue comes from the domestic market and remaining 5% of revenue comes from export market.

Brief us about your financials?

During the first quarter for FY 10-11, the company registered a 97% increase in net profit after tax (PAT) from Rs. 26.6mn in last year's first quarter to Rs. 52.5mn in this year's first quarter. The company's revenues have also sharply risen from Rs. 373.8mn in the corresponding quarter in the previous year to Rs. 617.9mn for the quarter ended June 30, 2010, showing an increase of 65%.

The profit before tax (PBT) has grown from Rs. 40.3mn to Rs. 79.3mn recording an increase of 97% compared to the corresponding quarter in the previous year.

Operating profit before interest, depreciation and taxes (PBDIT) is also higher by 104% at Rs. 133.5mn compared to Rs. 65mn in the corresponding quarter previous year. The fully diluted EPS for the quarter stood at Rs. 3.88 compared to Rs. 1.96 during previous corresponding period.

The turnover during FY 09-10, increased by 41% - to Rs. 14,90mn from Rs. 10,56mn in the previous year (FY 08-09). Also, PAT (Profit after Tax) increased from Rs. 74.9mn to Rs. 1,05.7mn for the year ending March 31st 2010 – a growth of 41% over the previous year's results.

What is the current debt and debt equity ratio?

The debt:equity ratio is 2:1.

Your promoter holding?

Our promoter holding stands at 59%.