

Manpasand Beverages Ltd : Average Issue

IPO Note: First to be listed in the Segment: Offer Price is high

Ranking:**



Issue details

Price band (Rs)	Rs.290-Rs.320
IPO Opening Date	24/06/2015
IPO Closing Date	26/06/2015
Issue Size	Rs.400 Crore.

Valuations & Recommendation

MBL's turnover and net profits for fiscal 2013 and fiscal 2014 were Rs. 240.42 crore/22.42 crore and Rs. 294.31 crore/Rs. 20.43 crore. It has no listed peers and is the first to go for listing with this kind of business module, it might attract fancy. but based on its pricing, it appears to be "High Risk/Low return" bet. Management has claimed that there are very few organized players in this segment that is growing at rate of 20% plus annually and MBL has a minor market share hence it hopes for bright prospects going forward. Based on its FY14 EPS it offers shares at a very high PE of 78.

Highlights

- Manpasand Beverages Ltd (MBL) is a fruit drink manufacturing company with a primary focus on mango fruit. Its mango based fruit drink, "Mango Sip", is a flagship brand
- The combined installed capacity for its manufacturing facilities is 40,000 Tetra Pak Cases per day and 65,000 PET Bottle Cases per day for fruit drinks and 15,000 PET Bottle Cases per day for carbonated fruit drinks.
- Manpasand Beverages have a wide distribution network that as on March 31, 2015, includes 73 consignee agents and 654 distributors spread across 24 states in India to whom they sell directly.
- They also sell directly to Indian Railway Catering and Tourism Organization ("IRCTC") approved vendors.

Company Introduction

Company Profile

The Manpasand is a fruit drink manufacturing company with a primary focus on mango fruit, which is the leading flavour for juice drinks in India. Mango based fruit drink, 'Mango Sip', is flagship brand, which is strategically focused towards customers primarily based in semi urban and rural markets. With a view to expand our product portfolio, we have launched two new brands, 'Fruits Up' and 'Manpasand ORS'. Under the 'Fruits Up' brand, we offer fruit drinks and carbonated fruit drinks in different flavours, and under the 'Manpasand ORS' brand, we offer fruit drinks with energy replenishing qualities with a primary focus on North East India. We currently offer fruit drinks in mango and other flavours and carbonated fruit drinks, in different packaging types and sizes.



Financial Summary

Particulars	FY2012	FY2013	FY2014
Sales	86.71	243.96	300.29
Net Profit	6.1	22.37	20.5
EPS (Rs)	2.44	8.94	8.2

RANKING METHODOLOGY

WEAK	*
AVERAGE	**
GOOD	***
VERY GOOD	****
EXCELLENT	*****

Pramotors

A first generation entrepreneur, Mr. Dharendra Singh has extensive experience of over 15 years and industry knowledge and understanding. As a Chairman and Managing Director, Mr. Dharendra Singh provides strategic guidance to the Company and business plans, while also being involved in day to day functioning. In addition to our independent Directors, Key Managerial Personnel and Senior Managerial Personnel, the company also specifically benefit from the guidance provided by Mr. B.M. Vyas, independent director on the Board of the Company, who has vast experience in the processed food industry and previously the managing director of Gujarat Co-operative Milk Marketing Federation Limited, the dairy company selling the 'Amul' brand.

IPO & Proceed

To part finance its modernization of Vadodara and Varanasi facilities and setting up of new unit at Haryana, setting up of new office at Vadodara and repayment of part debt and general corporate fund needs the company is coming out with a book building process IPO to raise Rs. 400 crore. The company is issuing approx 12500000 equity shares of Rs. 10 each (approx 25% dilution based on upper price band). This book building process IPO has a price band of Rs. 290-320. The issue is opening for subscription on 24.06.15 and will close on 26.04.15. Minimum application is to be made for 45 shares and in multiples thereon, thereafter. Post issue shares will be listed on BSE and NSE. Issue is jointly lead managed by Kotak Mahindra Capital Co. Ltd, IIFL Holdings Ltd and ICICI Securities Ltd and Karvy Computershare Pvt Ltd is the registrar to the issue.

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