ANANDRATHI

Knack Packaging Limited

30-June-26

Subscribe- Long Term

Rinkle Vira
rinklevira@rathi.com

RINKLE SHAILESH VIRA
Digitally signed by RINKLE SHAILESH VIRA
Date: 2026.06.30 11:01:34 +05'30'

Issue Details

Issue Details	
Issue Size (Value in ` million, Upper Band)	4,395
Fresh Issue (No. of Shares in Lakhs)	223.5
Offer for Sale (No. of Shares in Lakhs)	35
Bid/Issue opens on	01-July-26
Bid/Issue closes on	03-July-26
Face Value	Rs. 10
Price Band	Rs. 161- 170
Minimum Lot	88

Objects of the Issue:

- **Fresh Issue: ₹ 3,800 million**
  - Partial funding of capital expenditure towards setting up of new manufacturing facility at Borisana situated at Gujarat ('Project Site')
  - General corporate purposes
- **Offer for Sale: ₹ 595 million**

Book Running Lead Managers
Systematix Corporate Services Limited, IDBI Capital Markets & Securities Limited, Pantomath Capital Advisors Private Limited
Registrar to the Offer
MUFG Intime India Private Limited

Capital Structure (` Million)	Aggregate Value
Authorized share Capital	1,500
Subscribed paid up Capital (Pre-Offer)	1,000
Paid up capital (Post - Offer)	1,223

Share Holding Pattern %	Pre Issue	Post Issue
Promoters & Promoter group	89.6%	70.4%
Public	10.4%	29.6%
Total	100%	100%

Financials

Particulars (Rs. In Million)	FY26	FY25	FY24
Revenue from operations	**8,234**	**7,365**	**6,546**
Operating Expenses	6,714	6,030	5,577
EBIDTA	**1,520**	**1,335**	**969**
Other Income	203	109	45
Depreciation	293	282	243
EBIT	**1,430**	**1,162**	**771**
Interest	159	170	153
PBT	**1,271**	**992**	**618**
Exceptional Item	11	0	0
PBT before share of JV	1,260	992	618
Share of profit(loss) of JV	(9)	0	0
PBT	**1,251**	**992**	**618**
Tax Expense	323	254	158
Consolidated PAT	**928**	**738**	**460**
EPS	**7.6**	**6.0**	**3.8**
Ratio	**FY26**	**FY25**	**FY24**
EBITDAM	18.5%	18.1%	14.8%
PATM	11.3%	10.0%	7.0%
Sales growth	11.8%	12.5%	

Company Description

Knack Packaging Limited is an integrated, innovation-driven, export-oriented packaging solutions provider engaged in the manufacturing of Printed and Laminated Woven Polypropylene (PLWPP) bags, including PLWPP pinch bottom bags. The company serves as a key supplier of customized, high-strength packaging solutions catering to a diversified range of end-use industries such as food grains, flour, sugar, pet food, agriculture, fertilizers, chemicals, detergents, cement, and construction materials.

Since inception, Knack Packaging has progressively expanded its product portfolio from basic woven bags to advanced value-added packaging formats, including metallized bags with windows, block bottom bags, gusseted bags, and shopping bags. It serves leading Indian names like Baba Agro Food Limited, Drools Pet Food Private Limited, Ebro India Private Limited, KRBL Limited, and DCM Shriram Limited, along with global brands across 68 countries, including Cargill, Cristo S.A., and Repi Soap and Detergent PLC. Exports contribute a major share of operations, with the United States, Mexico, and South Africa accounting for 35.19% of total exports.

It operates a fully integrated manufacturing model covering the entire production value chain from polypropylene granule processing, tape extrusion, weaving, lamination, printing, and final bag conversion. The company's manufacturing facilities, located in Gujarat, are supported by an effective installed capacity of 43,300 MTPA and are equipped with advanced machinery across all stages of production.

The company has demonstrated strong export capabilities, supplying packaging solutions to customers across 71 countries. It operates a B2B2C model and serves more than 1,950 customers across domestic and international markets. Its product development capabilities are further supported by in-house design, artwork development, and printing cylinder manufacturing, with over 73,000 cylinders developed across 13,379 SKUs. Knack Packaging has built a strong presence in the global packaging value chain, supported by a subsidiary in South Africa and a joint venture with Sacos Y Empaques Internacionales S.A. de C.V. to expand operations across Latin America and the United States.

The company is also supported by a strong ESG framework, including renewable energy integration through solar, wind, and hybrid power installations, with approximately 80% of energy requirements met through renewable sources.

Valuation:

Knack Packaging Limited is among the leading organised players in the PLWPP flexible bulk packaging segment in India, supported by a fully integrated manufacturing model and a diversified presence across domestic and export markets spanning 71 countries. As a leading packaging solutions provider with a well-established customer base, the company benefits from strong customer relationships and a favorable market position. To cater to rising order inflows, the company has been expanding its manufacturing capacity. Going forward, it plans to establish its own manufacturing facilities in place of leased units, which is expected to improve operational efficiency, enhance margins, and support long-term growth. Additionally, a significant portion of the company's revenue is generated from exports, and its joint venture in Mexico is expected to strengthen its international presence, expand its customer base, and enhance brand recognition in overseas markets

On the valuation front, based on FY26 earnings, the company is seeking a P/E of 22.4 x times, and a post-issue market capitalization of approximately Rs 20,800 million, making the issue appears to be fairly priced. However, risks remain from raw material price volatility, customer concentration and competitive intensity in the packaging industry. Overall, Knack Packaging is well positioned to benefit from structural growth in flexible packaging demand, supported by integration, scale and export presence. Hence, we assign a **Subscribe for Long Term** rating for the issue.

Company Overview

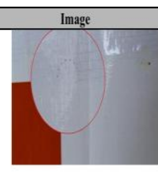
Knack Packaging Limited is an integrated, innovation-driven, export-oriented packaging solutions provider engaged in the manufacturing of Printed and Laminated Woven Polypropylene (PLWPP) bags and PLWPP pinch bottom bags. The company offers customized, high-strength packaging solutions catering to diverse industries including food grains, flour, sugar, pet food, agriculture, fertilizers, chemicals, detergents, cement and construction materials. According to the Technopak Report, it held an approximately 10.1% share of the Indian flexible bulk PLWPP bags market, including PLWPP pinch bottom bags, in FY25. The company was also the first in India and Asia to introduce laser-cut and easy-open features in PLWPP pinch bottom bags. The company follows a vertically integrated manufacturing model, undertaking the complete production process from polypropylene granule processing to tape extrusion, weaving, lamination, printing and bag conversion. Its manufacturing facilities in Gujarat have an effective installed capacity of 43,300 MTPA and span approximately 1.23 million sq. ft. of land. As of May 31, 2026, the company employed 1,959 personnel. Knack Packaging serves customers under a B2B2C model, supplying packaging solutions to leading domestic and global brands across 71 countries. It also provides in-house design, artwork development and printing cylinder manufacturing services. As of May 31, 2026, the company had developed over 73,000 cylinders for more than 1,950 customers covering 13,379 SKUs. The company holds internationally recognized certifications including ISO 9001, ISO 14001, ISO 45001, BRCGS Packaging Materials Certification and EN 15343, and has been recognized as a Two Star Export House by the Government of India.
This pan-India presence and export to 71 countries enables the company to efficiently serve a diverse customer base, respond swiftly to market demands, and expand their reach in both domestic and export segments. Their diverse customer base across globe is represented below:

Products: Their products are listed below, along with their revenue contribution as of March 31, 2026:

Products	Image	Special feature	Amount (in ₹ million)	Percentage of Revenue from Products (in %)
Printed and Laminated Woven PP Bags		• Superior durability & strength • High-quality printing & visual appeal	5,925.52	73.37
Printed and Laminated Woven PP Pinch Bottom Bags		• Seamless construction & superior strength • six-side branding • 4% less material use due to optimized design. • Brick-like shape enables stable stacking and improved logistics. • Wide range of attractive finishes like gloss, matte, holographic, etc.	1,636.76	20.27
PP Woven Bags		• Robust quality construction breathability	183.10	2.27
Printed and Laminated Woven PP bottom Gusset Bags		• Flat, Stable Base for Easy Stacking • Supports Handles with Rigidity	70.47	0.87

Products	Image	Special feature	Amount (in ₹ million)	Percentage of Revenue from Products (in %)
PLWPP Block Bottom Bags		• Matte, gloss, or matte-metalized finishes with vibrant print flexibility. • Enhanced with Liners and different handle styles available for specific needs.	102.51	1.27
Printed and Laminated Woven PP Retail Shopping Bags		• Gusseted, handled retail bags—stylish and shopper-ready • Ultrasonically sealed—no stitches, enhanced durability	-	0.00
Other miscellaneous products			158.20	1.95
Total Revenue from Products			**8.076.56**	**100.00**

The-add on solutions include:

S. No.	Products	Image
1.	Security Feature - RFID	
2.	Security Feature – QR Code	
3.	Security Feature – Hot Stamping	
4.	Security Feature - Barcode	
5.	Circular and back seam construction	
6.	Perforation, micro-perforation & holes	
7.	Regular and shifted gusset	
8.	Half, full & register window	
9.	Zig-zag cut, heatcut & bladecut	
10.	Single fold & double fold bottom stitch	
11.	Top hemming & ultrasonic hemming	
12.	Top EZ open window	
13.	Nylon, PLWPP & plastic handle	
14.	Cross stitched handle	
15.	D-cut handle with & without top fold stitch	
16.	Peel off EZ open in pinch bottom bags	
17.	Glue drops in pinch bottom bags	
18.	Laser perforation in pinch bottom bags	
19.	Bales packing	
20.	Pallet packing	

Their Journey: Knack Packaging traces its origins to 2006 when its promoter, Rashminbhai Tulsibhai Patel, established the business as a proprietorship engaged in the manufacturing of BOPP/Printed and Laminated Woven Polypropylene (PLWPP) bags, emerging as one of the early entrants in this segment in India. In 2012, the business was reconstituted as a partnership firm, and in 2013 it was incorporated as a private limited company with an initial production capacity of 400 MT per month. Over the years, the company has continuously expanded its product portfolio by introducing four-layer metallized bags with windows (2014), block bottom bags, matt/gloss effect bags and registered window bags (2016), followed by shopping bags and bottom gusseted bags (2017). The company also strengthened its export presence, particularly in the U.S. and European markets, while expanding manufacturing operations through a new facility at Indrad, Gujarat in 2020. It further established a South African subsidiary in 2021, invested in renewable energy assets comprising rooftop solar panels, a windmill and an 11 MW solar farm, and entered into a joint venture with Sacos Y Empaques Internacionales to expand its presence across Latin America and the U.S. market.

Manufacturing Facilities: Their Manufacturing Facilities are listed below:

Unit		Ownership	Lease Tenure	Location	Land Area (sq. m.)	Built-up Area (sq. m.)
Unit-1		Partly Leased & Partly Owned	Leased parcels for **30 years** (commencing between May 2016 and April 2023); owned land has no lease	Borisana, Kadi–Thol Road, Mehsana, Gujarat	72,842.00	61,113.29
Unit-2		Leased	9 years (from November 27, 2020)	Kamla Amrut Industrial Estate-II, Indrad, Kadi, Mehsana, Gujarat	13,625.18	8,198.37
Unit-3*		Leased	11 months 29 days (from February 14, 2026)	Saket Industrial Estate, Kadi–Thol Road, Borisana, Mehsana, Gujarat	17,456.00	11,592.01
Unit-4**		Leased	3 years (renewable every 11 months 29 days) from April 1, 2026	Saaket Industrial Estate, Thol–Kadi Road, Borisana, Mehsana, Gujarat	10,298.00	4,633.02

Note: The approvals for this facility are in the name of Praspack Polymers ; ** The approvals for this facility are in the name of Multipack Polymers.

Capacity and Capacity Utilization: The following table sets forth the installed capacity, effective installed capacity, actual production and capacity utilisation of their Manufacturing Facilities:

Product/Manufacturing Unit	Unit of Measurement	FY26	FY25	FY24
Printed and Laminated Woven Polypropylene				
Installed Capacity	MT	55,800	47,500	43,300
Effective Installed Capacity	MT	43,300	36,400	33,400
Actual Production	MT	35,344	31,297	29,609
Capacity Utilization	%	81.6%	86.0%	88.7%

Product/Manufacturing Unit	Unit of Measurement	FY26*	FY25	FY24
Unit-1 : Tapeline +Gravure Printing + Lamination + Multifilament Yarn + Liner				
Installed Capacity	MT	34,100	33,900	31,500
Effective Installed Capacity	MT	25,600	25,200	23,700
Actual Production	MT	20,027	20,947	20,053
Capacity Utilization	%	78.2%	83.1%	84.6%

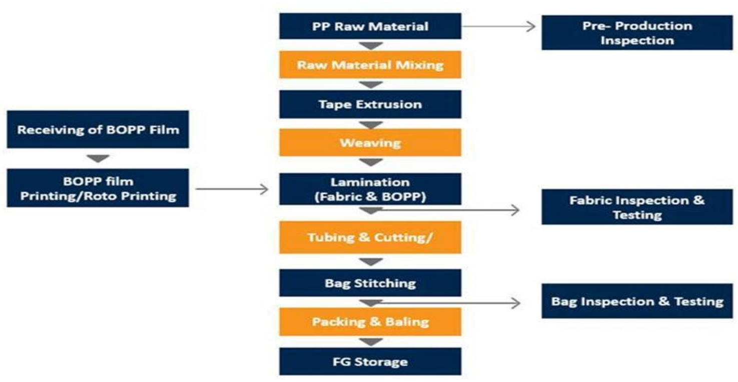
*One gravure printing machine added in Mar-26 and Lamination machine added in Dec-25.

Product/Manufacturing Unit	Unit of Measurement	FY26	FY25	FY24*
Unit-2: Tapeline				
Installed Capacity	MT	12,700	12,700	11,800
Effective Installed Capacity	MT	10,400	10,400	9,700
Actual Production	MT	10,179	10,198	9,556
Capacity Utilization	%	97.9%	98.1%	98.5%

*Additional tape line was added on May, 2023.

Product/Manufacturing Unit	Unit of Measurement	FY26	FY25	FY24
Unit-3: Tapeline + Gravure Printing + Lamination + Liner				
Installed Capacity	MT	9,000	920	N.A.
Effective Installed Capacity	MT	7,300	800	N.A.
Actual Production	MT	5,138	151	N.A.
Capacity Utilization	%	70.4%	18.9%	N.A.

Process: The following chart represents the processes undertaken at various stages



Manufacturing Process: Knack Packaging follows a vertically integrated manufacturing process, enabling complete control over quality, efficiency and product customization. The process begins with polypropylene (PP) granules, which are compounded and extruded into flat tapes that serve as the primary raw material. These tapes are then woven into fabric using circular or flat looms, with fabric strength and density controlled through machine settings. For value-added products, BOPP films are printed using high-speed gravure printing technology, ensuring precise branding and product information, before being laminated onto woven fabric to enhance aesthetics, durability and moisture resistance. The company also manufactures liners and multifilament yarn in-house through extrusion processes, further strengthening backward integration. In the final stage, the laminated fabric is cut, stitched and converted into finished bags, with optional features such as liners, valve openings, handles and easy-open designs incorporated based on customer requirements. The integrated manufacturing model supports product consistency, operational efficiency and the ability to offer customized packaging solutions across diverse end-use industries.

- *Machinery Used:* It's manufacturing facilities are equipped with advanced machinery across every stage of the production process, supporting operational efficiency and product quality. The tape plant comprises imported wire drawing machines integrated with Scantech systems, electronic winders and additional godets for tape manufacturing. The company utilizes advanced looms with Loom Data Monitoring Systems (LDMS) for real-time production monitoring and wider-width woven fabric manufacturing. Its gravure printing division operates up to 10-colour electronic line shaft (ELS) machines with ARC controllers, AVT defect detection systems and demetallizer units, while an imported spectrophotometer-based ink kitchen ensures colour consistency. High-speed automatic lamination machines, fully automated finishing lines, laser-enabled pinch bottom bag machines and holographic hot stamping machines further enhance product quality, customization capabilities, packaging security and manufacturing efficiency. They have procured of their machines from Lohia Corp Limited, Starlinger & Co., B& Verpackungstechnik GmbH, Pelican Rotoflex Pvt. Ltd., J P Extrusiontech Private Limited & other suppliers to maintain quality of products.

Customers: They have a diversified customer base and have served over 1,950+ customers across industries and geographies in as of May 31, 2026.
The following table sets forth a breakdown of revenue from their top 10 customers along with their revenue contribution, for Fiscal 2026, 2025 & 2024:

Rank	Customer	FY26 Revenue (₹ million)	FY26 (%)	FY25 Revenue (₹ million)	FY25 (%)	FY24 Revenue (₹ million)	FY24 (%)
1	Cargill	1,377	16.7%	1,402	19.0%	1,462	22.3%
2	Sacos Y Empaques Internacionales S.A. de C.V.	480	5.8%	428	5.8%	236	3.6%
3	Customer II	329	4.0%	398	5.4%	340	5.2%
4	Customer III	204	2.5%	205	2.8%	173	2.6%
5	Customer IV	141	1.7%	162	2.2%	129	2.0%
6	Baba Agro Food Limited	137	1.7%	157	2.1%	110	1.7%
7	Drools Pet Food Private Limited / Cristo S.A.	Drools – 130	1.6%	Cristo – 146	2.0%	Cristo – 142	2.2%
8	Yash Packaging	124	1.5%	122	1.7%	118	1.8%
9	Customer V / Drools Pet Food Private Limited / Customer VII	Customer V – 128	1.6%	Drools – 109	1.5%	Customer VII – 97	1.5%
10	Yash Packaging / Customer VII / KRBL Limited	Yash Packaging – 124	1.5%	Customer VII – 106	1.4%	KRBL Limited – 84	1.3%
Top 10 Total		**3,366**	**40.9%**	**3,235**	**43.9%**	**2,890**	**44.2%**

Infrastructure and Utilities:

Raw Materials: The primary raw material used in their manufacturing process is PP granules, Low-Density Polyethylene ("LDPE") Granules, Biaxially Oriented Polypropylene ("BOPP") Films, and Vinyl/Polyurethane ("PU") base Ink. They source these materials from their suppliers based on purchase orders. A significant portion of the raw materials is sourced from one of their domestic vendors constituting more than 30.00% of their total supply of raw materials in the last three Fiscals. Knack Packaging meets around 80% of its energy requirements through renewable sources, supported by a 2.10 MW windmill, 2.25 MW rooftop solar system, and an 11.00 MW solar farm in Gujarat, with diesel generators serving as backup. Water is sourced from borewells for domestic and industrial cooling needs. As of May 31, 2026, the company employed 1,959 personnel, reflecting its focus on maintaining a skilled workforce to support operations. The following table sets forth a breakdown of total purchases from its top 5 and top 10 suppliers along with their total purchase contribution, for Fiscals 2026, 2025 and 2024:

Particulars	FY26 Amount (₹ million)	FY26 (% of Raw Material Purchased)	FY25 Amount (₹ million)	FY25 (% of Raw Material Purchased)	FY24 Amount (₹ million)	FY24 (% of Raw Material Purchased)
Top 5 Suppliers	3,713	73.5%	2,614	58.9%	2,509	62.6%
Top 10 Suppliers	4,356	86.2%	3,262	73.5%	3,088	77.0%

The following table sets forth details of their cost of materials and components consumed for the respective periods shown:

Particulars	FY26	FY25	FY24
Revenue from Operations (₹ million)	8,234	7,365	6,546
Cost of Materials Consumed (₹ million)	4,909	4,383	3,960
Cost of Materials Consumed (% of Revenue)	59.6%	59.5%	60.5%

The following table sets forth the amount of domestically and internationally sourced materials for the respective periods shown:

Particulars	FY26 (₹ million)	FY26 (% of Total Purchase)	FY25 (₹ million)	FY25 (% of Total Purchase)	FY24 (₹ million)	FY24 (% of Total Purchase)
Domestically Sourced Materials	4,926	97.5%	4,333	97.6%	3,880	96.7%
Internationally Sourced Materials	126	2.5%	105	2.4%	132	3.3%
Total Purchase of Materials	**5,052**	**100.0%**	**4,438**	**100.0%**	**4,011**	**100.0%**

Marketing & Sales Distribution: Knack Packaging exports its products to 71 countries across six continents and operates under a B2B2C business model, supplying packaging solutions to leading domestic and global brands. The company is supported by a 65-member sales and marketing team focused on customer engagement and market development. Marketing expenses stood at ₹57 million (0.7% of revenue) in FY26, compared with ₹114 million (1.5%) in FY25 and ₹168 million (2.6%) in FY24, indicating improved operating leverage.

Exports: The table below provide the details of the state-wise revenue for Fiscal 2026:

State	Revenue from Operations (₹ million)	% of Revenue from Operations
Andhra Pradesh	159	1.9%
Assam	2	0.0%
Bihar	85	1.0%
Chhattisgarh	135	1.6%
Dadra & Nagar Haveli	0	0.0%
Daman & Diu	0	0.0%
Delhi	288	3.5%
Gujarat	700	8.5%
Haryana	168	2.0%
Himachal Pradesh	8	0.1%
Jharkhand	139	1.7%
Karnataka	180	2.2%
Kerala	182	2.2%
Madhya Pradesh	55	0.7%
Maharashtra	365	4.4%
Odisha	9	0.1%
Punjab	238	2.9%
Rajasthan	33	0.4%
Tamil Nadu	271	3.3%
Telangana	156	1.9%
Uttar Pradesh	124	1.5%
Uttarakhand	5	0.1%
West Bengal	295	3.6%
Total (Domestic)	**3,599**	**43.7%**

A major portion of their revenue is generated from export of products to USA, Mexico, and South Africa which contributed to 35.19% of the total exports in Fiscal 2026. The table below provides details of the revenue from operations from exports to the three above-mentioned countries, in the last three Fiscals:

Country	FY26 (₹ million)	FY26 (% of Revenue)	FY25 (₹ million)	FY25 (% of Revenue)	FY24 (₹ million)	FY24 (% of Revenue)
USA	1,948	23.7%	1,960	26.6%	1,895	29.0%
Mexico	504	6.1%	428	5.8%	238	3.6%
South Africa	446	5.4%	25	0.3%	29	0.5%
Total	**2,898**	**35.2%**	**2,413**	**32.8%**	**2,163**	**33.0%**

Financial and Operational Performance Indicators:

Sr. No.	Particulars	Unit	FY26	FY25	FY24
Financial Performance Indicators					
1	Revenue from Operations	₹ million	8,234	7,365	6,546
2	Revenue Growth	%	11.8%	12.5%	26.3%
3	Gross Profit	₹ million	3,446	2,917	2,615
4	Gross Profit Margin	%	41.9%	39.6%	40.0%
5	EBITDA	₹ million	1,723	1,443	1,014
6	EBITDA Margin	%	20.4%	19.3%	15.4%
7	Profit After Tax (PAT)	₹ million	927	738	460
8	PAT Margin	%	11.0%	9.9%	7.0%
9	Return on Capital Employed (RoCE)	%	46.7%	50.4%	45.4%
10	Return on Invested Capital (RoIC)	%	33.4%	34.6%	29.5%
11	Debt-to-Equity Ratio	x	0.6x	0.8x	1.2x
12	Return on Equity (RoE)	%	35.8%	41.7%	38.4%
13	Debt Service Coverage Ratio (DSCR)	x	5.0x	3.8x	3.3x
Operational Performance Indicators					
14	Total Quantity Sold	MT	38,157	34,472	30,590
15	EBITDA per KG	₹	45.2	41.9	33.1

Key Strengths:

- **Focus on Operational Efficiency through Integrated and Digitised Processes**: Knack Packaging has developed an integrated and technology-driven operating model aimed at improving supply chain visibility, production efficiency and cost control. At the core of its digital ecosystem is Knack Galaxy**,** the company's proprietary platform that enables real-time monitoring of procurement, production, inventory, dispatch and logistics, while connecting customers, suppliers and internal teams on a unified platform. The system is integrated with Microsoft Dynamics 365 CRM for order management and SAP S/4HANA for production planning and resource allocation, enabling end-to-end workflow visibility and faster operational decision-making. The company complements its digital infrastructure with annual structured training of 20–30 days for employees to enhance technical and digital capabilities. Its integrated procurement strategy, supported by demand forecasting, buffer inventory and bulk sourcing of key raw materials such as polypropylene granules, helps improve material availability and cost predictability. In addition, dedicated production lines for specific product categories reduce changeover time, facilitate preventive maintenance and support consistent product quality, contributing to stable manufacturing operations and timely customer deliveries.

- **Capability to Deliver Complex Product Designs with Accuracy:** Knack Packaging has developed expertise in manufacturing technically complex and customized packaging solutions, supported by advanced engineering capabilities and process-driven manufacturing. The company offers a wide range of customized bag designs incorporating multi-layer lamination, specialized bag constructions, valve closures, integrated handles, perforation patterns and other value-added features tailored to customer requirements. Its standardized production workflows and quality control processes help ensure dimensional accuracy, material compatibility and product consistency across manufacturing batches. The company further enhances its design capabilities through an in-house ink kitchen equipped with an imported spectrophotometer, enabling precise colour matching and uniform print quality across production runs. This is particularly important for customers seeking consistent brand identity, including accurate logo reproduction, colour shades and surface finishes.

- **Customer-centric custom packaging solutions:** Customers typically provide basic inputs such as the product type and packaging size, following which the company's in-house design team develops customized bag designs aligned with branding, technical specifications and functional requirements. The company also supports cylinder development and printing, ensuring approved artwork is accurately adapted for high-quality and consistent printing outcomes. Its integrated offering includes selection of the appropriate bag type, optimized construction and dimensions, artwork development, technical support, sampling and design iterations, enabling customers to outsource the entire packaging development process. This customer-focused approach has contributed to strong client relationships, reflected in a customer retention ratio of 88.3% in FY26, compared with 65.4% in FY25 and 67.3% in FY24. The company also maintains long-standing relationships with several customers, including Cargill (since 2020), Sacos y Empaques Internacionales S.A. de C.V. (since 2013), KRBL Limited (since 2013), Yash Packaging (since 2015) and Cristo S.A. (since 2018), demonstrating sustained customer engagement.

- **Presence across Indian and global market catering to various industries :** Knack Packaging has established a diversified presence across domestic and international markets, serving customers in 71 countries through a broad portfolio of packaging solutions. During FY26, exports contributed 56.3% of revenue from operations, while domestic sales accounted for 43.7%, providing a balanced revenue mix across geographies. The company caters to multiple end-use industries, including grains and pulses, animal and pet food, detergents, fertilizers and other food products, with customers such as Cargill, Sacos y Empaques Internacionales S.A. de C.V., Baba Agro Food Limited, Drools Pet Food Private Limited, Ebro India Private Limited and KRBL Limited. Its international operations are further supported by its wholly owned subsidiary in South Africa. The company's diversified customer base across regions and industries reduces dependence on any single geography, customer or end market, helping mitigate risks associated with demand fluctuations and regional economic conditions. Supported by vertically integrated manufacturing capabilities and experience in specialized packaging, the company is well positioned in a sector characterized by high capital requirements, technical expertise and significant entry barriers.

Key Strategies:

- **Expand Production Capacity and Strengthen Manufacturing Capabilities**

Knack Packaging plans to expand its manufacturing footprint to support rising demand across domestic and international markets. As of FY26, the company operated vertically integrated manufacturing facilities in Gujarat with an effective installed capacity of 43,300 MTPA and capacity utilisation of 81.6%, supported by imported machinery for extrusion, lamination, printing and finishing operations. The proposed expansion includes establishing a new manufacturing facility, with a portion of the IPO proceeds earmarked for its construction and development. The additional capacity is expected to enhance production of block bottom bags, laminated woven sacks, gusseted formats and customized packaging solutions, particularly pinch bottom bags. The expansion is intended to improve production flexibility, accommodate higher order volumes, strengthen delivery capabilities and support future product development. The company also aims to leverage its presence across 71 countries and strategic partnership with Cargill to strengthen its position in global packaging markets.

- **Drive Growth through New Product Categories**

Knack Packaging intends to expand its product portfolio by introducing advanced packaging formats aligned with evolving customer requirements and industry trends. Building on its early adoption of Printed and Laminated Woven Polypropylene (PLWPP) bags, the company plans to introduce products such as PLPE pinch bottom bags, zipper pinch bottom bags, easy-carry handle block bottom bags, corner seal block bottom bags and easy-open block bottom bags, while also increasing its presence in the PLWPP bags above 50 kg segment. The strategy is focused on addressing demand from high-growth end-use sectors including pulses, spices, rice and pet food, which are projected to witness healthy global growth through FY29. By leveraging its design capabilities, vertically integrated manufacturing operations and customer relationships, the company aims to expand market penetration through differentiated, value-added packaging solutions.

- **Capitalize on Growing Demand for PLWPP Bags**

Knack Packaging aims to benefit from the increasing adoption of PLWPP bags as an alternative to conventional paper packaging. According to the Technopak Report, PLWPP bags offer advantages including durability, reusability, lower transportation costs due to their lightweight structure and improved recyclability when processed appropriately. These characteristics have supported growing acceptance across multiple packaging applications. The company, as an established manufacturer of PLWPP bags, intends to capitalize on this structural shift by expanding its presence in segments where customers are increasingly transitioning from paper-based packaging to woven polypropylene solutions. Leveraging its manufacturing capabilities and product portfolio, the company seeks to strengthen its position in the specialized packaging market while addressing evolving customer requirements for durable and efficient packaging.

- **Transition towards Sustainable Business Practices**

Knack Packaging continues to strengthen its sustainability initiatives by increasing the use of renewable energy and adopting circular economy practices across its operations. The company plans to expand the use of solar energy, including proposed installations at its upcoming manufacturing facility, with the objective of reducing dependence on conventional power sources and improving operational efficiency. In addition, it is implementing waste-to-value initiatives aimed at converting production scrap into commercially usable materials, thereby reducing waste generation and improving resource utilization. These initiatives complement the company's broader environmental, social and governance (ESG) framework and reflect its focus on integrating sustainability into manufacturing operations while enhancing long-term operational efficiency.

- **Increase Exports and Expand into High-Growth End-User Industries**

Knack Packaging intends to strengthen its export business by expanding into new geographies and high-growth end-user industries. During FY26, exports contributed 56.3% of revenue from operations, with products sold across 71 countries. The company plans to increase its presence in Europe, Australia, the Gulf and Africa while targeting sectors such as fertilizers, building materials, chemicals, seeds, charcoal, shopping bags and value-added packaging applications. It also intends to promote PLWPP pinch bottom bags as alternatives to multiwall paper bags in international markets. The company has further strengthened its global presence through a strategic partnership with Cargill and a joint venture, Sayem Knack, established with Sacos y Empaques Internacionales S.A. de C.V., which commenced commercial operations in April 2026 to support expansion across Latin America and the United States.

- **Enhance Automation through Artificial Intelligence and Machine Learning**

Knack Packaging plans to enhance automation across its manufacturing operations by integrating advanced digital technologies, including Manufacturing Execution Systems (MES), SCADA and Industry 4.0 frameworks. The company intends to leverage artificial intelligence (AI) and machine learning (ML) applications for predictive maintenance, production scheduling, demand forecasting, inventory planning and quality management. These technologies are expected to improve real-time production monitoring, optimize resource utilization, support data-driven decision-making and enhance coordination across manufacturing processes. Through greater automation and digital integration, the company aims to improve operational efficiency, reduce process variability and strengthen its ability to deliver customized packaging solutions in line with evolving customer requirements.

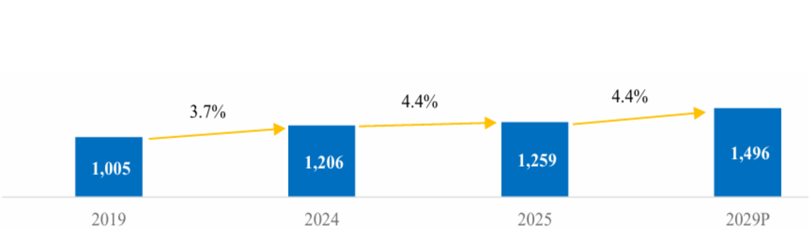
Industry Snapshot*:*

- **Global Packaging Market Overview**

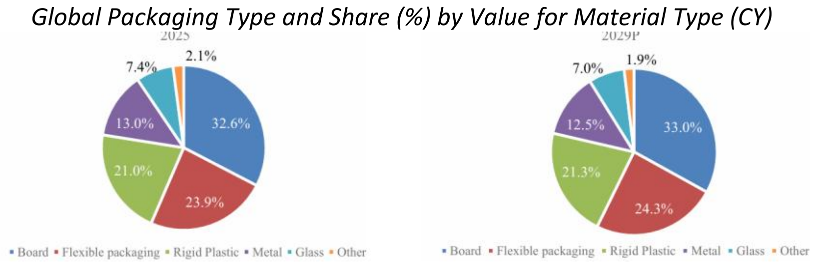
The packaging industry plays a critical role in the global economy, encompassing a vast range of materials and applications, it ensures the protection, transportation, and presentation of countless products. The global packaging market was valued at USD 1,259 billion in CY2025. It is further projected to grow at a CAGR of 4.4% to reach a market size of USD 1,496 billion by CY2029. This growth is majorly driven by the growing population, urbanization, rising income levels and rrising demand from sectors such grains and pulses - rice, dal, lentils, etc., flour & spices, sugar, salts, fruits & nuts, animal & pet foods, agriculture, seeds, charcoal, detergents powders & granules, fertilizers, chemicals, cement, tile adhesives, building materials, mineral bags, shopping or promotional bags, e-commerce etc. in both developed and developing economies. Key global players in the flexible packaging space such as Amcor Plc, Mondi Group, Polytex Fibers, Pro-Ampac, Hood Packaging etc. have significant international footprint and diversified end user exposure.

- *Types of Packaging Material and its Share in the Global Packaging Sector:* The global packaging industry comprises multiple material types, including metal, glass, plastic, paper, corks, and caps, each catering to specific end-use applications. Among these, plastic and paper-based formats have gained strong traction due to their versatility, durability, and cost efficiency across industrial and consumer applications. Based on material type, the industry is broadly segmented into rigid plastic, flexible packaging, paperboard, glass, and metal. Rigid plastics such as PET, PVC, and HDPE are widely used in bottles and containers. Flexible packaging, including PE, PP, and BOPP-based materials, is used for bags, pouches, sachets, and liners, with woven polypropylene-based packaging forming an important sub-segment for bulk applications such as grains, fertilizers, and cement. Paperboard is largely used in cartons and boxes, while glass and metal are primarily used in food, beverage, and long shelf-life applications. Globally, paperboard holds the largest share in CY2025, followed by flexible packaging as the second-largest segment. Within flexible packaging, plastic-based formats dominate over paper-based alternatives, driven by cost efficiency and performance advantages across end-use industries.

Global Packaging Market Size (in USD Billion) (CY) (CAGR %)



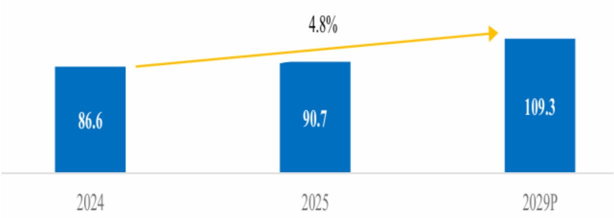
Global Packaging Type and Share (%) by Value for Material Type (CY)



- **Global Flexible Bulk (5-50kg) Packaging Market Overview**

The global flexible bulk packaging market was valued at USD 105.3 billion in CY2025. Within this, the 5–50kg segment accounted for a dominant 86.2% share, valued at USD 90.7 billion, reflecting its widespread usage across industrial and commercial applications. This segment includes a wide range of materials such as woven polypropylene (WPP) bags, printed and laminated woven polypropylene (PLWPP) bags, multi-wall paper sacks, PE/LLDPE bags, jute bags, and paper-based packaging, catering to diverse end-use industries including food grains, pulses, flour, spices, sugar, pet food, agriculture, fertilizers, chemicals, cement, and construction materials. Flexible bulk packaging is widely used due to its cost efficiency, durability, moisture resistance, and high degree of customisation, making it suitable for large-scale storage and transportation requirements. The market is projected to reach USD 109.3 billion by CY2029, growing at a CAGR of 4.8%, driven by rising industrial production, global trade expansion, and increasing demand from food, agriculture, and industrial sectors. The segment is further supported by structural advantages such as reduced transportation costs, improved space efficiency, and enhanced product protection during logistics. In addition, advancements in material technology and growing emphasis on sustainable packaging solutions are supporting adoption of recyclable and high-performance flexible materials. From an application perspective, demand is largely driven by food & beverage, agricultural commodities, industrial & chemicals, and construction materials, which together account for the majority of global consumption. Regionally, Asia Pacific remains the largest market, supported by strong manufacturing activity and rising consumption in emerging economies. Overall, the flexible bulk packaging market remains structurally growth-oriented, supported by expanding end-use industries, global trade flows, and increasing shift towards efficient and sustainable packaging formats.

Global Flexible Bulk Packaging (5-50kg) Market Size (USD Bn) (CY) (CAGR %)



Global Flexible Bulk Packaging (5-50kg) Market Share (%) Split by Value for End User Industries (CY2025)

- **Overview of Printed and Laminated Woven Polypropylene Bags (PLWPP)**

The global Printed and Laminated Woven Polypropylene (PLWPP) bags market, a specialized segment within woven polypropylene (WPP) bags, was valued at USD 1.52 billion in CY2025 and is projected to reach USD 1.85 billion by CY2029, growing at a CAGR of 5.0%. PLWPP bags accounted for 7.1% of the global WPP bags market in CY2025, with their share expected to increase further over the forecast period. PLWPP bags combine the strength of woven polypropylene with the superior printability and moisture resistance of BOPP laminated films, making them suitable for packaging a wide range of products including food grains, flour, sugar, pet food, fertilizers, chemicals, cement, construction materials, and agricultural products. Their durability, tear resistance, lightweight nature, and high-quality printing capabilities have led to increasing adoption across industrial and consumer applications. Demand for PLWPP bags is supported by rising branding requirements in bulk packaging, enhanced barrier properties, superior stacking efficiency, and the growing preference for sustainable and recyclable packaging solutions. Advancements such as pinch-bottom and block-bottom bag formats have further improved product presentation, storage efficiency, and handling characteristics. From an end-user perspective, food & beverages, bulk agricultural commodities, construction materials, and industrial chemicals constitute the largest demand segments. Geographically, Asia Pacific is the largest market, followed by North America and Europe, supported by strong manufacturing activity, expanding packaged goods industries, and increasing adoption of value-added packaging solutions.

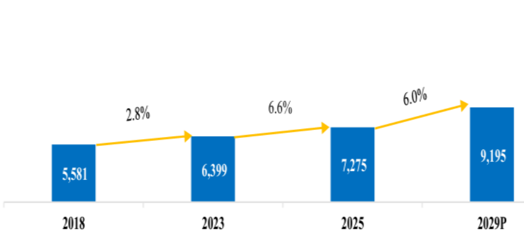
- **Overview of Global PLWPP Pinch Bottom Bags**

Printed and Laminated Woven Polypropylene (PLWPP) Pinch Bottom bags represent a niche but growing segment within the global woven polypropylene packaging industry. The market is currently valued at approximately USD 0.5 billion and is expected to expand at a CAGR of 5–7% over the coming years. These bags account for a small share of the overall WPP bags market but are witnessing increasing adoption owing to their superior durability, moisture resistance, premium appearance, and high-quality printability. PLWPP pinch bottom bags are widely used across food, agriculture, pet food, fertilizers, chemicals, cement, and construction material industries, where product protection, branding, and efficient handling are critical. Their flat-bottom design enhances stackability and storage efficiency, while six-side printable surfaces improve product visibility and brand recognition. Geographically, Asia-Pacific and North America are the key growth markets, supported by expanding industrial activity, rising demand for branded packaging, and increasing adoption of value-added flexible packaging solutions.

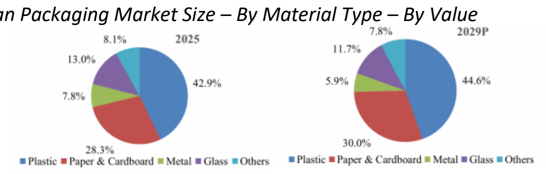
- **Indian Packaging Market Overview**

India's packaging industry caters to a diverse range of end-use sectors, including food & beverages, agriculture, fertilizers, chemicals, cement, construction materials, e-commerce, and consumer goods, where packaging plays a critical role in product protection, storage, transportation, branding, and consumer convenience. The market was valued at INR 7,275 billion in FY2025, growing at a CAGR of 6.6% from FY2023, and is projected to reach INR 9,195 billion by FY2029, reflecting continued demand across industrial and consumer applications. Plastic packaging has emerged as the largest material segment due to its durability, lightweight nature, flexibility, and cost efficiency. Within plastic packaging, flexible plastic packaging accounts for nearly two-thirds of the market and is expected to continue outpacing rigid packaging, driven by rising FMCG consumption, food processing, e-commerce, and organized retail. The industry remains fragmented, with the unorganized sector accounting for a significant share; however, increasing quality standards, regulatory compliance, and demand from branded customers are gradually driving a shift towards organized manufacturers.

Indian Packaging Market Size – By Value INR Bn)

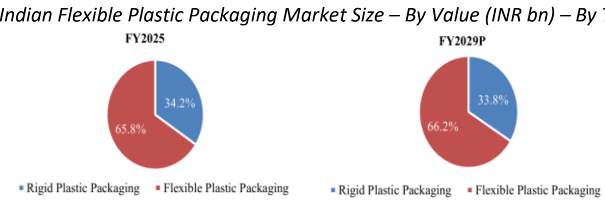


Indian Packaging Market Size – By Material Type – By Value



Material by Value (INR Billion)	FY2024	FY2025	FY2029P	CAGR (2024-29)
Plastic	2,835	3,119	4,102	7.7%
Paper & Cardboard	1,837	2,060	2,755	8.4%
Metal	532	566	547	0.5%
Glass	899	943	1,084	3.8%
Others	552	586	719	5.4%

Indian Flexible Plastic Packaging Market Size – By Value (INR bn) – By Type

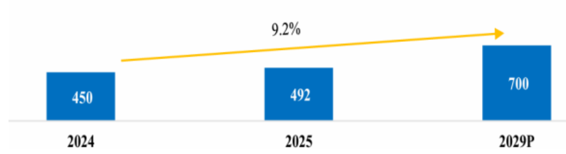


Material by Value (INR Billion)	FY2024	FY2025	FY2029P	CAGR (FY2024-29)
Rigid Plastic Packaging	988	1,067	1,385	7.0%
Flexible Plastic Packaging	1,849	2,053	2,717	8.0%

- **Overview of Indian Woven Polypropylene (WPP) Bags**

Woven Polypropylene (WPP) bags are an important segment of India's flexible packaging industry, owing to their durability, lightweight nature, cost-effectiveness, and recyclability. These bags are widely used across food products, agriculture, fertilizers, chemicals, cement, construction materials, and other industrial applications. The growing preference for sustainable and reusable packaging solutions has further supported demand for WPP bags. The Indian WPP bags market was valued at INR 492 billion in FY2025 and is projected to grow to INR 700 billion by FY2029, registering a CAGR of 9.2%. Based on product type, the market comprises coated WPP bags, uncoated WPP bags, PLWPP bags, and other variants. Coated WPP bags currently dominate the market, while PLWPP bags account for 6.5–7.0% of the market and remain a relatively nascent segment. However, increasing emphasis on product branding, superior printability, and sustainable packaging is driving the gradual adoption of PLWPP bags across end-use industries.

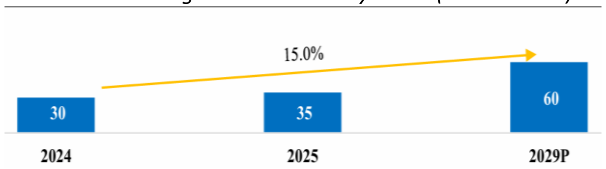
Indian Woven Polypropylene Bags Market Size – By Value (in INR billion)



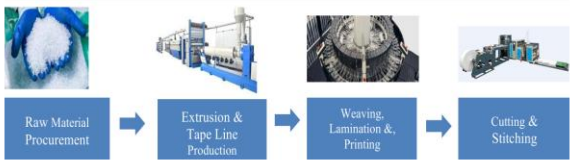
➢ Overview of Indian Printed and Laminated Woven Polypropylene (PLWPP) Bags

The Indian PLWPP bags market is witnessing steady growth, driven by rising demand for durable, moisture-resistant, and high-quality printed packaging across industries such as food grains, fertilizers, cement, chemicals, animal feed, and pet food. Manufactured by laminating BOPP film onto woven polypropylene fabric, these bags combine superior strength with enhanced printability, making them suitable for both product protection and branding. Expanding organized retail, increasing exports, and greater emphasis on attractive packaging are further supporting adoption. The Indian PLWPP bags market was valued at INR 35 billion in FY2025 and is projected to reach INR 60 billion by FY2029, reflecting strong growth. Within this, the 5–50 kg PLWPP bulk bags segment stood at INR 28.6 billion in FY2025 and is expected to reach INR 50 billion by FY2029, supported by increasing demand for efficient, durable, and value-added industrial packaging solutions. PLWPP pinch bottom bags remain a niche but fast-emerging segment, gaining traction for their leak-proof sealing, moisture resistance, enhanced shelf appeal, six-side branding capability, and compatibility with automated filling lines, particularly in premium food, pet food, seed, and specialty chemical packaging.

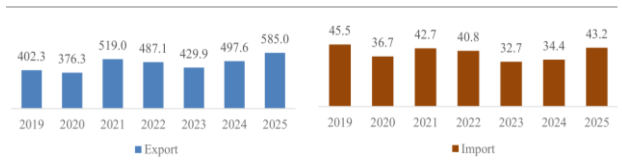
Indian PLWPP Bags Market Size – By Value (in INR billion)



Value Chain of PLWPP Bags



India's Woven Polypropylene Bags (Trade) (USD Mn)



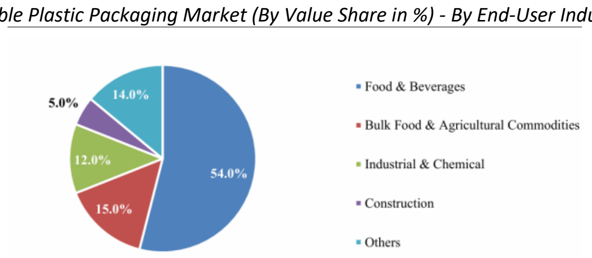
➢ Key trends driving the growth and transformation of the flexible packaging sector

The flexible bulk packaging industry is evolving rapidly, driven by changing consumer preferences, sustainability initiatives, technological advancements, and increasing branding requirements. One of the key trends is the growing adoption of sustainable and recyclable packaging materials, with manufacturers increasingly shifting towards mono-material polypropylene (PP) structures that support the circular economy. The industry is also witnessing a transition from plain or flexo-printed WPP bags to Printed and Laminated WPP (PLWPP) bags, owing to their superior print quality, moisture resistance, durability, and enhanced branding capabilities. Another emerging trend is the increasing use of PLWPP pinch bottom bags, which offer improved shelf appeal, six-side branding, leak-proof sealing, and compatibility with automated filling lines. Demand for premium packaging is also rising across food, pet food, agriculture, and specialty chemical segments, encouraging greater adoption of value-added packaging solutions. Additionally, features such as gussets, handles, transparent windows, and high-quality printing are improving product functionality while strengthening brand visibility and consumer appeal.

➢ Overview of User Industry

The flexible bulk packaging industry is witnessing a structural shift driven by sustainability, branding requirements, product innovation, and changing end-user preferences. Increasing emphasis on recyclable and mono-material packaging solutions is encouraging the adoption of polypropylene-based packaging, which supports circular economy initiatives while maintaining durability and cost efficiency. Manufacturers are also focusing on reducing material consumption without compromising product strength or performance. A key industry trend is the transition from conventional plain or flexographic printed WPP bags to Printed and Laminated Woven Polypropylene (PLWPP) bags. Superior print quality, enhanced moisture resistance, improved durability, and stronger branding capabilities have made PLWPP bags the preferred choice across food, agriculture, pet food, fertilizers, chemicals, and construction materials. Rising organized retail and export-oriented demand are further accelerating this shift. Another emerging trend is the growing adoption of PLWPP Pinch Bottom Bags, particularly for premium and branded products. Their six-side branding capability, flat-bottom design, secure sealed closure, and improved stackability enhance shelf appeal, product protection, and handling efficiency. Manufacturers are also incorporating value-added features such as gussets, carry handles, transparent windows, matte or glossy finishes, and high-quality rotogravure printing, enabling better product differentiation and supporting the increasing demand for premium packaging solutions.

Indian Flexible Plastic Packaging Market (By Value Share in %) - By End-User Industry (FY25)



Comparison with Industry listed peers

Name of the Company	Face Value per Equity Share (₹)	P/E (x)*	Closing Price as on June , 2026 (₹)	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV per Share (₹)
Knack Packaging Limited	10			9.3	9.3	35.5%	30.8
Key Listed Peers							
Time Technoplast Limited	1	17.9	178.4	10.0	10.0	13.4%	84.4
TCPL Packaging Limited	10	28.2	3,029.4	107.5	107.5	14.3%	791.3
Mold-Tek Packaging Limited	5	31.8	698.1	21.9	21.9	11.0%	207.6

*Note – 1) P/E, P/BV Ratio has been computed based on the closing market price of equity shares on NSE on 29th June, 2026, other Financial highlights as .

2) NAV, EPS, P/E* to sales of the Knack Packaging is calculated on EPS of FY26, and post issue no. of equity shares issued.

Key Risk:

- **Customer concentration risk:** Revenue remains concentrated among a limited number of customers. During FY26, the top 10 customers contributed ₹3,365.7 million, accounting for 40.9% of revenue, with Cargill alone contributing ₹1,377.3 million (16.7%)**.** Loss of any major customer or a significant reduction in order volumes could materially affect the company's financial performance.
- **Foreign exchange risk:** Exports accounted for 56.3% of revenue from operations in FY26, exposing the company to fluctuations in foreign exchange rates. Adverse currency movements could impact revenue realization, profitability, cash flows and the competitiveness of exports.
- **Dependence on export incentives:** The Company benefits from various export incentive and government subsidy schemes such as RoDTEP, Duty Drawback, EPCG, Advance Authorization and state incentive schemes. Export incentives amounted to ₹25.8 million in FY26. Any withdrawal, reduction or modification of these schemes could adversely affect profitability and cash flows.
- **Supplier concentration risk:** The Company depends on a limited number of suppliers for procurement of key raw materials. During FY26, the top 5 suppliers accounted for 73.5% of total raw material purchases, while the top 10 suppliers contributed 86.2%. Any disruption in supply, increase in raw material prices or inability to procure materials from these suppliers on favorable terms could adversely affect production and profitability.
- **Geographical concentration of manufacturing facilities**: All of the company's manufacturing facilities are located in Gujarat. Any disruption arising from natural calamities, labour unrest, power shortages, regulatory actions or other adverse events in the state could interrupt manufacturing operations, resulting in adverse impacts on business performance.
- **Raw material price risk:** Polypropylene (PP) granules constitute the company's primary raw material, with cost of materials consumed accounting for approximately 59.6% of revenue from operations in FY26. Significant volatility in PP prices or disruptions in raw material availability could adversely impact operating margins and profitability.
- **Dependence on printing cylinders:** The Company relies significantly on its printing cylinders for customized packaging solutions, with 43.1% of the total cylinders owned by the company. Loss, damage or disruption involving these assets could affect production schedules, customer relationships and operational performance.

Valuation:

Knack Packaging Limited is among the leading organised players in the PLWPP flexible bulk packaging segment in India, supported by a fully integrated manufacturing model and a diversified presence across domestic and export markets spanning 71 countries. As a leading packaging solutions provider with a well-established customer base, the company benefits from strong customer relationships and a favorable market position. To cater to rising order inflows, the company has been expanding its manufacturing capacity. Going forward, it plans to establish its own manufacturing facilities in place of leased units, which is expected to improve operational efficiency, enhance margins, and support long-term growth. Additionally, a significant portion of the company's revenue is generated from exports, and its joint venture in Mexico is expected to strengthen its international presence, expand its customer base, and enhance brand recognition in overseas markets

On the valuation front, based on FY26 earnings, the company is seeking a P/E of 22.4 x times, and a post-issue market capitalization of approximately Rs 20,800 million, making the issue appears to be fairly priced. However, risks remain from raw material price volatility, customer concentration and competitive intensity in the packaging industry. Overall, Knack Packaging is well positioned to benefit from structural growth in flexible packaging demand, supported by integration, scale and export presence. Hence, we assign a **Subscribe for Long Term** rating for the issue.

DISCLAIMER:

Analyst Certification

The views expressed in this Research Report accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst(s) in this report. The research analysts are bound by stringent internal regulations and also legal and statutory requirements of the Securities and Exchange Board of India (hereinafter "SEBI") and the analysts' compensation are completely delinked from all the other companies and/or entities of Anand Rathi, and have no bearing whatsoever on any recommendation that they have given in the Research Report.

Anand Rathi Ratings Definitions

Analysts' ratings and the corresponding expected returns take into account our definitions of Large Caps, Mid Caps & Small Caps as described in the Ratings Table below:

Ratings Guide (12 months)

	Buy	Hold	Sell
Large Caps (Top 100 companies)	>15%	0-15%	<0%
Mid Caps (101st-250th company)	>20%	0-20%	<0%
Small Caps (251st company onwards)	>25%	0-25%	<0%

Research Disclaimer and Disclosure inter-alia as required under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

Anand Rathi Share and Stock Brokers Ltd. (hereinafter refer as ARSSBL) (Research Entity, SEBI Regn No. INH000000834, Date of Regn. 29/06/2015, BSE Enlistment Number – 5048 date of Regn 25 July 2024), CIN - U67120MH1991PLC064106 is a subsidiary of the Anand Rathi Financial Services Ltd. ARSSBL is a corporate trading and clearing member of Bombay Stock Exchange Ltd (BSE), National Stock Exchange of India Ltd. (NSEIL),Multi Commodity Exchange of India Limited (MCX),National Commodity & Derivatives Exchange Limited (NCDEX), and also depository participant with National Securities Depository Ltd (NSDL) and Central Depository Services Ltd. (CDSL), ARSSBL is engaged into the business of Stock Broking, Depository Participant, Mutual Fund distributor.

The research analysts, strategists, or research associates principally responsible for the preparation of Anand Rathi research have received compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors and firm revenues.

General Disclaimer: This Research Report (hereinafter called "Report") is meant solely for use by the recipient and is not for circulation. This Report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. The recommendations, if any, made herein are expression of views and/or opinions and should not be deemed or construed to be neither advice for the purpose of purchase or sale of any security, derivatives or any other security through ARSSBL nor any solicitation or offering of any investment /trading opportunity on behalf of the issuer(s) of the respective security (ies) referred to herein. These information / opinions / views are not meant to serve as a professional investment guide for the readers. No action is solicited based upon the information provided herein. Recipients of this Report should rely on information/data arising out of their own investigations. Readers are advised to seek independent professional advice and arrive at an informed trading/investment decision before executing any trades or making any investments. This Report has been prepared on the basis of publicly available information, internally developed data and other sources believed by ARSSBL to be reliable. ARSSBL or its directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information / opinions / views. While due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates or representatives of ARSSBL shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way whatsoever from the information / opinions / views contained in this Report. The price and value of the investments referred to in this Report and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance. ARSSBL does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding taxation aspects of any potential investment.

Opinions expressed are our current opinions as of the date appearing on this Research only. We do not undertake to advise you as to any change of our views expressed in this Report. Research Report may differ between ARSSBL's RAs and/ or ARSSBL's associate companies on account of differences in research methodology, personal judgment and difference in time horizons for which recommendations are made. User should keep this risk in mind and not hold ARSSBL, its employees and associates responsible for any losses, damages of any type whatsoever.

ARSSBL and its associates or employees may; (a) from time to time, have long or short positions in, and buy or sell the investments in/ security of company (ies) mentioned herein or (b) be engaged in any other transaction involving such investments/ securities of company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) these and other activities of ARSSBL and its associates or employees may not be construed as potential conflict of interest with respect to any recommendation and related information and opinions. Without limiting any of the foregoing, in no event shall ARSSBL and its associates or employees or any third party involved in, or related to computing or compiling the information have any liability for any damages of any kind.

Details of Associates of ARSSBL and Brief History of Disciplinary action by regulatory authorities & its associates are available on our website i.e. www.rathionline.com

Disclaimers in respect of jurisdiction: This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject ARSSBL to any registration or licensing requirement within such jurisdiction(s). No action has been or will be taken by ARSSBL in any jurisdiction (other than India), where any action for such purpose(s) is required. Accordingly, this Report shall not be possessed, circulated and/or distributed in any such country or jurisdiction unless such action is in compliance with all applicable laws and regulations of such country or jurisdiction. ARSSBL requires such recipient to inform himself about and to observe any restrictions at his own expense, without any liability to ARSSBL. Any dispute arising out of this Report shall be subject to the exclusive jurisdiction of the Courts in India.

Statements on ownership and material conflicts of interest, compensation - ARSSBL and Associates

Answers to the Best of the knowledge and belief of ARSSBL/ its Associates/ Research Analyst who is preparing this report

Research analyst or research entity or his associate or his relative has any financial interest in the subject company and the nature of such financial interest.	No
ARSSBL/its Associates/ Research Analyst/ his Relative have actual/beneficial ownership of one per cent or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report?	No
ARSSBL/its Associates/ Research Analyst/ his Relative have actual/beneficial ownership of one per cent or more securities of the subject company	No
ARSSBL/its Associates/ Research Analyst/ his Relative have any other material conflict of interest at the time of publication of the research report?	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation from the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have managed or co-managed public offering of securities for the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation or other benefits from the subject company or third party in connection with the research report	No
ARSSBL/its Associates/ Research Analyst/ his Relative have served as an officer, director or employee of the subject company.	No
ARSSBL/its Associates/ Research Analyst/ his Relative has been engaged in market making activity for the subject company.	No

NOTICE TO US INVESTORS:

This research report is the product of Anand Rathi Share and Stock Brokers Limited, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated person(s) of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances, and trading securities held by a research analyst account.

Research reports are intended for distribution only to Major U.S. Institutional Investors as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act of 1934 (the Exchange Act) and interpretations thereof by the U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this research report is not a Major U.S. Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated, and/or transmitted onward to any U.S. person which is not a Major U.S. Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major U.S. Institutional Investors, Anand Rathi Share and Stock Brokers Limited has entered into a Strategic Partnership and chaperoning agreement with a U.S. registered broker-dealer: Banc Trust Securities USA. Transactions in securities discussed in this research report should be affected through Banc Trust Securities USA.

1. ARSSBL or its Affiliates may or may not have been beneficial owners of the securities mentioned in this report.
2. ARSSBL or its affiliates may have or not managed or co-managed a public offering of the securities mentioned in the report in the past 12 months.
3. ARSSBL or its affiliates may have or not received compensation for investment banking services from the issuer of these securities in the past 12 months and do not expect to receive compensation for investment banking services from the issuer of these securities within the next three months.
4. However, one or more of ARSSBL or its Affiliates may, from time to time, have a long or short position in any of the securities mentioned herein and may buy or sell those securities or options thereon, either on their own account or on behalf of their clients.
5. As of the publication of this report, ARSSBL does not make a market in the subject securities.
6. ARSSBL or its Affiliates may or may not, to the extent permitted by law, act upon or use the above material or the conclusions stated above, or the research or analysis on which they are based before the material is published to recipients and from time to time, provide investment banking, investment management or other services for or solicit to seek to obtain

investment banking, or other securities business from, any entity referred to in this report.

As of the publication of this report, ARSSBL does not make a market in the subject securities.

Registration granted by SEBI, Enlistment as RA and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Additional information on recommended securities/instruments is available on request.

Compliance officer-Deepak Kedia, email id - deepakkedia@rathi.com, Contact no. +91 22 6281 7000.

Grievance officer-Madhu Jain-email id- grievance@rathi.com, Contact no. +91 22 6281 7191

ARSSBL registered address: Express Zone, A Wing, 10th Floor, Western Express Highway, Diagonally Opposite Oberoi Mall, Malad (E), Mumbai – 400097.

Tel No: +91 22 6281 7000 | Fax No: +91 22 4001 3770 | CIN: U67120MH1991PLC064106.