IPO NOTE

Issue Details
Price Band: ₹161 to ₹170 Per Share
Employee Discount: ₹ 16/- per share
Issue Opens on: July 1, 2026
Issue Closes on: June 3, 2026
Lot Size: 88 Shares & in Multiples thereafter

Issue Highlights	
Issue Size:	₹ 439.50
No of Shares:	**2,59,00,000**
Face Value:	**₹ 10**

Offer Structure	
Issuance	**₹ in Cr.**
Fresh Issue	380.00
Offer for Sale	59.5
Total	**₹ 439.5**

Issue Breakup		
Reservation for	**% of Issue**	**₹ in Cr. (at upper band)**
QIB	50	329.63
HNI	15	43.95
RETAIL	35	65.93
Employee discount		35.8
TOTAL	**100**	**₹ 439.5**

Listing
BSE & NSE

Lead Managers
- Systematix corporate services Pvt. Ltd.

Registrar
MUFG Intime India Pvt.Ltd.

Contact Details
Analyst
Swapneel Mantri
swapneel.mantri@sushilfinance.com
022-40936034
Sales
Manan Divan
manan.divan@sushilfinance.com

COMPANY OVERVIEW

Knack Packaging Limited is one of India's leading integrated, export-led, and sustainability-oriented manufacturers of Printed and Laminated Woven Polypropylene (PLWPP) bags and PLWPP Pinch Bottom Bags — high-strength, customized packaging solutions for the food, pet food, fertilizer, chemicals, and consumer goods sectors. Incorporated in 2013 (promoter roots since 2006), the Ahmedabad-headquartered company holds approximately 10.1% market share in the Indian flexible bulk PLWPP bag market (FY25, Source: Technopak) and is the first company in India and Asia to provide laser cut and easy-open features integrated into PLWPP Pinch Bottom Bags.

The company operates a fully vertically integrated manufacturing process — from PP granule processing to tapes, fabric, printing, lamination, and finishing — across 4 units in Kadi, Mehsana, Gujarat, with an effective installed capacity of 43,300 MTPA (FY26) and actual production of 38,157 MT. It has a proprietary ERP stack (SAP S4 HANA + Microsoft CRM Dynamics 365) and a digital platform (Knack Galaxy) for real-time supply chain and customer engagement.

With 1,950+ customers across 71 countries, Knack follows a B2B2C model, selling to brands who use its bags to package and sell their own products. Its global footprint includes a wholly owned subsidiary in South Africa and a newly operational joint venture Sayem Knack in Mexico/USA with Sacos y Empaques Internacionales (commenced operations April 2026). Key customers include Cargill, KRBL Limited, Drools Pet Food, Baba Agro Food, and Ebro India.

HIGHLIGHTS

1. Focus on Operational Efficiency Through Integrated and Digitised Processes
2. Capability to Deliver Complex Product Design with Accuracy
3. Customer-Centric Custom Packaging Solutions
4. Presence Across Indian and Global Markets Catering to Various Industries
5. Experienced and Skilled Management and Board of Directors

OBJECTS OF THE ISSUE

Fresh Issue (₹3,800 million): Partial funding of capex for setting up a new manufacturing facility at Borisana, Kadi, Mehsana, Gujarat (Project Site — Survey No. NA/509/P2) → ₹3,200 million. General Corporate Purposes (capped at 25% of Gross Proceeds). Offer for Sale (35 lakh shares):

Company receives zero proceeds from the OFS and Entire OFS proceeds go to Promoter and Promoter Group Selling Shareholders

OUR VIEW

Knack Packaging is one of the most compelling manufacturing IPOs in the current cycle. It combines best-in-class margins, genuine export leadership, a proprietary product moat, and a clean IPO structure a combination that is genuinely uncommon among small-cap manufacturing IPOs. Knack Packaging is a relatively promising IPO in this IPO cycle. Considering, they have better margins of 20.42% EBITDA compared to peers combined with global exports, genuine product moat, and a clear capacity expansion story. Additionally they have a good ROIC of 33.41%. Despite the real risks (Cargill concentration, construction timeline, lengthening WC cycle) but manageable. This is a **subscribe with conviction** at the right price

Brief Financials

** Not Annualized

Particular	2026	2025	2024
Equity Share Capital	100.00	5.00	5.00
Reserves	208.19	209.71	135.62
Net Worth	308.19	214.71	140.62
Total Borrowings	192.47	172.06	173.09
Revenue from operations	823.43	736.49	654.56
Revenue Growth (%)	11.81%	12.52%	26.25%
EBITDA	172.29	144.34	101.37
EBITDA Margin (%)	20.42%	19.31%	15.38%
Net Profit for the period/year	92.72	73.81	45.98
EPS – Basic & Diluted (₹)	9.27	7.38	4.60
Return on Invested capital (RoIC)	33.41%	34.62%	29.51%
Return on capital employed (RoCE)	46.71%	50.36%	45.42%
RoNW (%)	35.47%	41.54%	38.97%
NAV - (₹)	30.82	21.47	14.06

*FY24 PAT is negative due to a one-time non-cash goodwill impairment

PRICE CHART (@ ₹170) (Retail Category)

LOT SIZE	Amount
88	14,960
176	29,920
264	44,880
352	59,840
440	74,800
528	89,760
616	1,04,720
704	1,19,680
792	1,34,640
880	1,49,600
968	1,64,560
1,056	1,79,520
1,144	1,94,480

HNI Payment Chart

Category	No. of Shares	Minimum Bid Lot Amount(Rs.)
Small HNI	1,232	2,09,440
Big HNI	5,896	10,02,320

Indicative Time Table

Tentative Events	Indicative Dates
Finalisation of Basis of Allotment with the Designated Stock Exchange	6/7/2026
Initiation of refunds/unblocking ASBA Fund	7/7/2026
Credit of Equity Shares to demat accounts of Allottees	7/7/2026
Commencement of trading of the Equity Shares on the Stock Exchanges	8/7/2026

For more details, Please refer RHP,
https://www.sebi.gov.in/filings/public-issues/jun-2026/knack-packaging-limited_102348.html

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