॥ सर्वे भवन्तु धनिनः ॥

swastika

KNACK

IPO NOTE

KNACK PACKAGING LIMITED

Rating:

SUBSCRIBE

Knack Packaging Ltd. is an integrated packaging solutions provider focusing on innovation, exports, and sustainability.
The company manufactures Printed and Laminated Woven Polypropylene (PLWPP) bags, including pinch bottom, gusset, block bottom, and retail shopping bags.

ISSUE OFFER	
Issue Opens on	JULY 1, 2026
Issue Close on	JULY 3, 2026
Total IPO size (cr)	₹439
Fresh issue (cr)	₹380
Offer For Sale (cr)	₹60
Price Band (INR)	₹ 161-170
Market Lot	88 SHARES
Face Value (INR)	₹10
Listing At	BSE, NSE
Market Cap (Pre IPO)	-

OBJECTS OF THE ISSUE

- Set up a new manufacturing facility at Borisana, Kadi, Mehsana, Gujarat
- General Corporate Purposes

FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (IN CRORE)	FY 2026	FY 2025	FY 2024
Equity Share Capital	100	5	5
Net Worth	308.19	214.71	140.62
Total Income	**843.77**	**747.38**	**659.01**
EBITDA Margin%	20.42	19.31	15.38
Net Profit/Loss of the year	**92.72**	**73.81**	**45.98**

ISSUE BREAK-UP (%)

QIB Portion	50%
NII Portion	15%
Retail Portion	35%

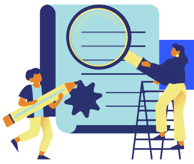
FINANCIAL RATIOS OF FY26

ROCE	ROE	P/E (Pre IPO)
46.71%	35.75%	18.33x

INDICATIVE TIMETABLE	
Basis of Allotment	06-07-2026
Refunds/Unblocking ASBA Fund	07-07-2026
Credit of Share to Demat A/c	07-07-2026
Listing Date	08-07-2026

OUTLOOK & VALUATION

- Healthy growth in recent years with improving profitability, high ROE/ROCE, and strong margins. Pre-IPO valuation at ~18.3x P/E (based on FY26 EPS), seen as reasonable to its peers.
- With fully in-house vertical integration, a massive library of 73,000+ custom printing cylinders, and over 13,000 SKUs, it maintains a strong competitive moat against smaller players.
- Customer concentration risk, no long-term supplier contracts, and heavy reliance on one new facility for future growth add execution uncertainty.
- Reasonable pricing + strong margins make it a good short-term bet; long-term investors should reassess post-listing performance before holding.



COMPANY PROFILE

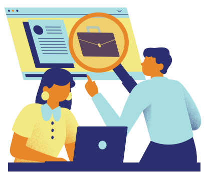
- Knack Packaging Limited is a packaging company that manufactures and supplies specialised flexible packaging products for customers across India and international markets.
- The company primarily produces woven polypropylene (PP) packaging solutions, including printed and laminated woven PP bags, pinch bottom bags, BOPP laminated bags, woven fabrics, HDPE/PP tapes and other customised packaging products.
- These products cater to end-user industries such as pulses, rice, lentils, fertilisers, pet food and other industrial applications.
- Knack Packaging operates multiple manufacturing facilities in Gujarat and also has a subsidiary in South Africa that imports and sells its products.
- The company generates revenue through the manufacture and sale of its packaging products and continues to expand its product portfolio to meet evolving customer requirements.

COMPETITIVE STRATEGIES

- Expand production capacity and strengthen manufacturing capabilities
- Drive growth through focus on new product categories
- Capitalizing on Growing Demand for PLWPP Bags
- Transitioning towards sustainable business practices
- Increase exports and focus on new high growth end-user industries
- Focus on automation advancing artificial intelligence and machine learning capabilities.

KEY CONCERNS

- High dependence on key customers; losing major clients could impact revenue.
- Reliance on raw material suppliers without long-term contracts poses supply risks.
- Delays in the new manufacturing facility may affect growth and profitability.
- Insurance coverage may not fully protect against operational and business losses.
- Dependence on leased premises exposes the company to renewal and relocation risks.



KEY STRENGTHS

- Diversified portfolio catering to multiple end-use industries.
- Strong manufacturing base with four facilities and global presence through its South African subsidiary.
- Well-diversified customer and supplier base reduces concentration risk.
- Focus on sustainability through renewable energy, recycled materials, and wastewater recycling.
- Recognized by the industry for export excellence and packaging innovation.

COMPARISON WITH LISTED INDUSTRY PEERS

Name of the Company	EPS (₹ Basic)	P/E	NAV	Revenue (cr.)	RoNW%
Knack Packaging	**9.27**	**18.33**	**30.82**	**843.77**	**35.47**
Peer Group					
Time Technoplast Ltd	9.99	17.86	84.40	6,105	13.37
Tcpl Packaging Ltd	107.47	28.19	791.28	1,736	14.34
Mold-tek Packaging Ltd	21.93	31.83	207.57	887	10.98