



IPO Note

KNACK PACKAGING LIMITED

JUL 01th, 2026



Jul 01st, 2026**Details of the Issue**

Price Band	₹ 161 - ₹ 170
Issue Size	₹ 439 Cr
Face Value	₹ 10
Bid Lot	88
Listing on	BSE,NSE
Investment Range	₹ 14,168 - ₹ 14,960

Important Indicative Dates (2025)

Opening	01 - Jul
Closing	03 - Jul
Basis of Allotment	06 - Jul
Refund Initiation	07 - Jul
Credit to Demat	07 - Jul
Listing Date	08 - Jul

Lead Manager

Systematix Corporate Services Ltd

IDBI Capital Market & Securities Ltd

Pantomath Capital Advisors Pvt Ltd

Offer Details

Offer Size	₹ 439 Cr
Fresh Issue	₹ 380 Cr
OFS	₹ 60 Cr

Type	In Rs Cr	No of Shares (Mn)		% of Issue
		Upper	Lower	
QIB	220	12.91	13.63	50
NII	66	3.87	4.09	15
Retail	154	9.04	9.54	35
Em- ploy.	-	-	-	-
Total	439	25.82	27.27	100

Invest Now**Company Profile**

Knack Packaging Ltd. is an integrated packaging solutions provider specializing in innovative, sustainable, and export-oriented Printed and Laminated Woven Polypropylene (PLWPP) bags used across industries such as food, agriculture, fertilizers, cement, chemicals, and building materials. The company held an estimated 10.1% share of India's flexible bulk PLWPP bag market in FY25 and serves leading domestic customers including Baba Agro Food, Drools Pet Food, KRBL, Ebro India, and DCM Shriram, along with global clients such as Cargill, Cristo S.A., and Repi Soap and Detergent PLC across 68 countries. Exports are a key growth driver, with the United States, Mexico, and South Africa contributing 35.19% of total export revenue. Backed by an in-house printing facility offering end-to-end design and cylinder development, the company has developed over 73,000 printing cylinders, manages 13,379 SKUs, operates a 92,065 sq. ft. warehouse, and serves more than 1,950 customers worldwide. As of FY26, Knack Packaging had a workforce of 1,834 employees, including contractual workers.

GEPL's Insights & Investment Thesis:

- Knack Packaging Ltd holds approximately 10.1% share of India's flexible bulk PLWPP bag market in FY25 and serves leading domestic customers including Baba Agro Food, Drools Pet Food, KRBL, Ebro India, and DCM Shriram.
- The company will be investing to set up new manufacturing facility at Borisana, which should expand production capacity and support growing demand for high-value packaging products such as pinch bottom bags.
- Based on the FY27 earnings, relative to the company's paid-up capital, the issue is priced at a P/E ratio of 19x. The issue is fairly valued compared to its peers, expansion of capacity, ramp-up of Unit-4, higher share of value-added products, and export traction. Therefore, we recommend a "Subscribe" rating for the issue.

Business Highlights & Services

Knack Packaging has built a technology-enabled and highly integrated manufacturing platform that strengthens operational efficiency, cost competitiveness, and customer retention. Its proprietary Knack Galaxy platform, integrated with Microsoft Dynamics 365 CRM and SAP S/4 HANA, provides real-time visibility across procurement, production, inventory, logistics, and customer orders, enabling faster decision-making, optimized resource utilization, and reduced operational disruptions. The company's disciplined procurement strategy, buffer inventory, dedicated production lines, and preventive maintenance practices enhance production stability, improve delivery reliability, and mitigate raw material price volatility. Additionally, its advanced engineering capabilities, in-house ink kitchen, spectrophotometer-based colour matching, and ability to manufacture highly customized, technically complex PLWPP packaging solutions with consistent quality create strong customer stickiness and support premium positioning. Continuous employee training further strengthens execution capabilities, positioning Knack Packaging to efficiently scale operations, improve margins, and capitalize on rising demand for value-added packaging solutions.

Knack Packaging has established a high-entry-barrier, value-added packaging business supported by integrated design, manufacturing, and global distribution capabilities. The company provides end-to-end packaging solutions—from product design, artwork development, cylinder support, and technical consultation to final manufacturing—creating deep customer engagement and reducing switching costs.



This has translated into a strong customer retention rate of 88.3% in FY26, reflecting long-standing relationships with marquee domestic and global customers across food, pet food, fertilizers, and FMCG segments. With 56.3% of FY26 revenue generated from exports across multiple geographies and a diversified customer portfolio with no material dependence on any single customer or industry, the company enjoys a resilient revenue mix and lower concentration risk. Furthermore, the specialized PLWPP packaging industry is characterized by significant entry barriers, including high capital intensity, complex manufacturing processes, specialized printing capabilities, ERP-driven operations, stringent regulatory requirements, and the need for skilled manpower. Knack Packaging's vertically integrated manufacturing platform, technical expertise, and established global customer relationships position it to sustain its competitive advantage, support premium product offerings, and drive long-term profitable growth.

Knack Packaging is well-positioned to capitalize on the growing global demand for value-added packaging through strategic capacity expansion, product innovation, and international market penetration. The company operates a vertically integrated manufacturing platform with 43,300 MTPA installed capacity and 81.6% utilization in FY26, indicating room for near-term growth while supporting operational efficiencies. To address rising demand, the company plans to establish a new manufacturing facility, enhancing capacity for high-value packaging formats such as pinch-bottom and block-bottom bags, improving delivery capabilities, and enabling the commercialization of new products without operational bottlenecks. Additionally, Knack is expanding its portfolio with next-generation packaging solutions, including PLPE pinch-bottom, zipper, easy-carry, corner-seal, and easy-open bags, while increasing its presence in the >50kg PLWPP bag segment. Backed by a strategic partnership with Cargill, exports to over 71 countries, and exposure to high-growth end markets such as pet food, pulses, spices, and rice, the company is well placed to deliver sustainable volume growth, strengthen its competitive positioning, and drive long-term earnings expansion.

Knack Packaging is leveraging the structural shift toward durable and recyclable PLWPP packaging to strengthen its long-term growth prospects while enhancing operational efficiency. Compared with paper bags, PLWPP bags offer superior durability, reusability, lower transportation emissions, and improved recyclability, positioning the company to benefit from increasing customer preference for cost-effective and sustainable packaging solutions. In parallel, the company is adopting solar energy across its manufacturing operations, including its upcoming facility, to reduce power costs, improve energy efficiency, and strengthen its ESG profile. Additionally, its waste-to-value initiative, which converts production scrap into commercially usable materials, supports circular economy practices, reduces material wastage, and creates incremental revenue opportunities. These sustainability-driven initiatives are expected to improve cost competitiveness, enhance margins, and reinforce Knack Packaging's positioning in the evolving sustainable packaging market.

Knack Packaging is strategically positioned to capitalize on the expanding global PLWPP packaging market, which is projected to grow at a 5.0% CAGR through CY29, by broadening its product portfolio, expanding exports, and investing in next-generation manufacturing technologies. The company is targeting high-growth applications such as premium fertilizers, building materials, chemicals, seeds, charcoal, and shopping bags, while leveraging the structural shift from multiwall paper bags to value-added PLWPP packaging. With exports contributing 56.3% of FY26 revenue, a strategic partnership with Cargill, and the newly operational Sayem Knack joint venture with SACOS Y Empaques Internacionales to strengthen its presence in Latin America and the U.S., the company is well positioned to benefit from the global China+1 sourcing trend and diversify its international revenue base. Simultaneously, Knack Packaging is enhancing manufacturing efficiency through AI, machine learning, MES, SCADA, and Industry 4.0 technologies, enabling predictive maintenance, real-time production monitoring, optimized inventory management, and improved quality control. These strategic initiatives are expected to enhance operational scalability, strengthen global competitiveness, and support sustainable long-term revenue and margin growth.

Domestic vs Import wise revenue mix

Particular	FY26		FY25		FY24	
	INR (Cr)	% of revenue	INR (Cr)	% of revenue	INR (Cr)	% of revenue
Domestic Revenue	464	56.30%	413	56.06%	368	56.15%
Export Revenue	360	43.70%	324	43.94%	287	43.85%
Revenue from Operation	823	100%	737	100.00%	655	100.00%



Customer retention ratio

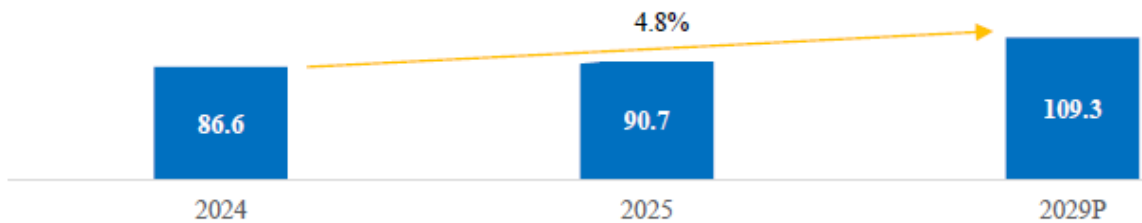
Particular	Customer Retention Ratio %
FY26	88.32
FY25	65.41
FY24	67.27

Revenue from Top 10 Customer

Sr.No	Customer	INR (Cr)	as % of Revenue
1	Cargill	137.73	17%
2	Sacos Y Empaques Internacionales S. A. de C.V.	48.00	6%
3	Customer II	32.89	4%
4	Customer VIII	31.53	4%
5	Customer III	20.42	2%
6	Customer IV	14.11	2%
7	Baba Agro Food Ltd	13.70	2%
8	Drools Pet Food Pvt. Ltd.	12.98	2%
9	Customer V	12.78	2%
10	Yash Packaging	12.44	2%
Total		336.57	41%

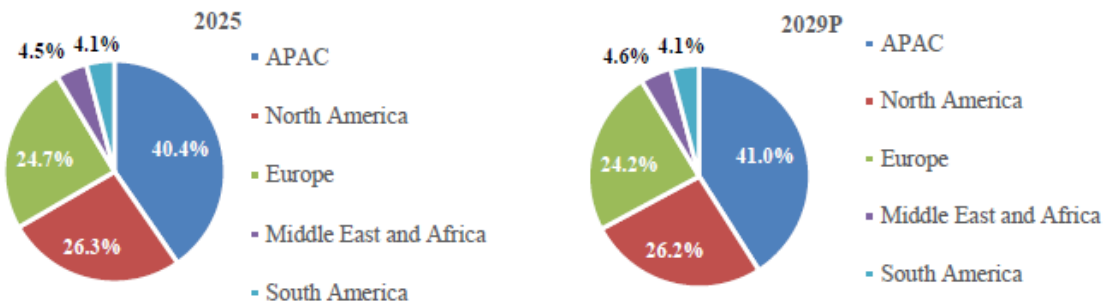
Industry Outlook

Exhibit 2.6: Global Flexible Bulk Packaging (5-50kg) Market Size (in USD Billion) (CY) (CAGR %)



Source: Technopak Analysis, Secondary Research,

Exhibit 2.9: Global Flexible Bulk Packaging (5-50kg) Market Share (%) Split by Value for Key Geographies (CY)



Source: Secondary research, Technopak Analysis



Peers Comparison

Name of the company	Face Value (₹)	Total Revenue (₹ Cr)	EPS	NAV (₹)	P/E (x)	RONW(%)
Kanck Packaging Ltd	10	823	9.27	30.82	NA	35.47
Peers Group						
Time Technoplast Ltd	1	6,105	9.99	84.40	17.86	13.37
TCPL Packaging Ltd	10	1,736	108	791	28.19	14.34
Mold-tek Packaging Ltd	5	887	21.93	208	31.83	10.98

Company's Competitive Strength

- Focus on operational efficiency through integrated and digitised processes.
- Capability to deliver complex product design with accuracy.
- Customer-centric custom packaging solutions.
- Presence across Indian and global market catering to various industries.
- Experienced and skilled management and Board of Directors.

Key Strategies Implemented by Company

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

Particular (INR in Cr)	FY26	FY25	FY24
Equity Capital	100	5	5
Reserves and Surplus	208	210	136
Net Worth	308	215	141
Revenue	823	736	655
Growth (%)	12%	13%	
EBITDA	152	133	97
EBITDAM (%)	18%	18%	15%
PAT	93	74	46
PATM (%)	11.3%	10.0%	7.0%
ROE (%)	30.4%	34.4%	32.7%
ROCE (%)	28.6%	30.0%	24.6%



Notes

GEPL Capital Pvt. Ltd

Head Office: D-21/22 Dhanraj Mahal, CSM Marg, Colaba, Mumbai 400001

Reg. Office: 922-C, P.J. Towers, Dalal Street, Fort, Mumbai 400001

Research Analyst – Mr. Vidnyan Sawant | + 022-6618 27687 | vidnyansawant@geplcapital.com

Disclaimer: This report has been prepared by GEPL Capital Private Limited ("GEPL Capital "). GEPL Capital is regulated by the Securities and Exchange Board of India. This report does not constitute a prospectus, offering circular or offering memorandum and is not an offer or invitation to buy or sell any securities, nor shall part, or all, of this presentation form the basis of, or be relied on in connection with, any contract or investment decision in relation to any securities. This report is for distribution only under such circumstances as may be permitted by applicable law. Nothing in this report constitutes a representation that any investment strategy, recommendation or any other content contained herein is suitable or appropriate to a recipient's individual circumstances or otherwise constitutes a personal recommendation. All investments involve risks and investors should exercise prudence in making their investment decisions. The report should not be regarded by the recipients as a substitute for the exercise of their own judgment. Any opinions expressed in this report are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of GEPL Capital as a result of using different assumptions and criteria. GEPL Capital is under no obligation to update or keep current the information contained herein. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Options, derivative products and futures are not suitable for all investors, and trading in these instruments is considered risky. Past performance is not necessarily indicative of future results. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related instrument mentioned in this report. Any prices stated in this report are for information purposes only and do not represent valuations for individual securities or other instruments. There is no representation that any transaction can or could have been effected at those prices and any prices do not necessarily reflect GEPL Capital's internal books and records or theoretical model-based valuations and may be based on certain assumptions. Different assumptions, by GEPL Capital or any other stheirce may yield substantially different results. GEPL Capital makes no representation or warranty, express or implied, as to, and does not accept any responsibility or liability with respect to, the fairness, accuracy, completeness or correctness of any information or opinions contained herein. Further, GEPL Capital assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent development, information or events, or otherwise. Neither GEPL Capital nor any of its affiliates, directors, employees or agents accepts any liability for any loss or damage arising out of the use of all or any part of this report. In no event shall GEPL capital be liable for any direct, special indirect or consequential damages, or any other damages of any kind, including but not limited to loss of use, loss of profits, or loss of data, whether in an action in contract, tort (including but not limited to negligence), or otherwise, arising out of or in any way connected with the use of this report or the materials contained in, or accessed through, this report. GEPL Capital and its affiliates and/or their officers, directors and employees may have similar or an opposite position in any securities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such securities (or investment). The disclosures contained in the reports produced by GEPL Capital shall be strictly governed by and construed in accordance with Indian law. GEPL Capital specifically prohibits the