# Manika Plastech Limited

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**IPO Note** **10th September 2026**

## Company Overview

Manika Plastech Limited (Manika) is a design-led, precision-engineered rigid polymer packaging manufacturer primarily engaged in the production of battery casings, pails and thinwall containers, along with painting services for automotive components. The company caters to customers across automotive, renewable energy, power backup, railways, paints, lubricants, agrochemicals, construction chemicals, food, and dairy industries. Battery casings remain the largest product segment, contributing 56.5% of revenue in FY26, while pails and thinwall containers contributed 30.5%. Its products are manufactured primarily using polypropylene co-polymer (PPCP) and recycled polymers through injection moulding, with capabilities spanning product design, mould development, manufacturing, labelling, quality testing and delivery. Manika operates six manufacturing facilities across Dehradun, Hosur, Panipat, Una and Dadra, with an aggregate installed capacity of 29,200 MTPA, alongside a painting facility at Hosur (capacity?). The company has developed over 6,700 products and owns more than 800 moulds, supporting a customised product portfolio tailored to customer requirements. Its customer relationships are characterised by high repeat business, with repeat customers contributing 96.4% of FY26 revenue. Going forward, Manika plans to expand capacity to 38,000 MTPA, invest in additional injection moulding and in-mould labelling equipment, and introduce injection stretch blow moulding technology to enter new packaging segments such as bottles for FMCG, personal care, beverages, and pharmaceuticals.

## Objects of the issue

The company proposes to utilize the proceeds from the issue towards the following objects:

⇒ Funding the capital expenditure towards purchase of plant and machinery;

⇒ Repayment and/or pre-payment, in part or full, of certain borrowings availed by the company; and

⇒ General corporate purposes

## Investment Rationale

### Strong customer stickiness supported by proximity-led manufacturing and high switching costs

Manika Plastech has established a sticky, repeat-driven customer base through a combination of strategically located manufacturing facilities, customised product capabilities and stringent customer qualification requirements. The company typically establishes facilities and warehouses in close proximity to key customers, which allows it to offer shorter lead times, optimise logistics and inventory costs, and provide greater supply-chain reliability. This proximity also enables Manika to align its manufacturing capacity with the expansion plans of its customers, creating opportunities to increase wallet share as customers scale their own operations. For instance, the company has historically expanded its manufacturing footprint alongside the growth of key battery customers, including Luminous and Livguard. The stickiness of these relationships is further supported by high entry barriers and customer switching costs. Manika supplies customised products, including critical battery casings, which need to meet specific technical, quality and dimensional requirements. This creates a meaningful barrier for new entrants and supports Manika's high repeat business, while its ability to offer design, mould development, manufacturing, labelling and quality assurance under one roof further strengthens customer integration.

### Scalable growth platform supported by capacity expansion and product diversification

Manika has been expanding its manufacturing capacity in line with the growth in its business. Installed capacity increased from 24,900 MTPA in FY24 to 29,200 MTPA in FY26, while utilisation has also improved from around 75% in FY24 to nearly 80% in Q1FY27. The company plans to take capacity further to 38,000 MTPA through investments in additional injection moulding machines, moulds, IML robots and other ancillary equipment. This provides room for volume growth without

| Issue Details | |
|---|---|
| Offer Period | 10th Sept. 2026 – 16th Sept. 2026 |
| Price Band | Rs. 40 to Rs. 43 |
| Bid Lot | 348 |
| Listing | BSE & NSE |
| Issue Size (no. of shares in Cr.) | 2.9 |
| Issue Size (Rs. in Cr.) | 125 |
| Face Value (Rs.) | 2 |

| Issue Structure | |
|---|---|
| QIB | 50% |
| NIB | 15% |
| Retail | 35% |

| | |
|---|---|
| BRLM | Pantomath Capital Advisors Private Limited |
| Registrar | MUFG Intime India Private Limited |

| Particulars | Pre Issue % | Post Issue % |
|---|---|---|
| Promoter & Promoter Group | 100.0 | 75.0 |
| Public | 0.0 | 25.0 |
| **Total** | **100.0** | **100.0** |

(Assuming issue subscribed at higher band)

**Research Team** - 022-61596138

requiring a complete change in its manufacturing footprint and should allow the company to cater to incremental requirements from existing customers as well as new customer additions. Growth is also expected to come from broadening the product portfolio. Alongside its existing battery casings, pails and thinwall containers, Manika plans to introduce injection stretch blow moulding (ISBM) capabilities, which would allow it to manufacture products such as bottles and jars. This could give the company access to additional packaging applications across personal care, cosmetics, beverages, and pharmaceuticals. The company is also exploring expansion in southern India, which could improve its ability to serve customers in the region. This provides some visibility for utilising incremental capacity; particularly where existing customers increase their outsourcing requirements or add new products. However, the pace of growth will still depend on customer demand, successful commissioning of the planned capacity and the company’s ability to establish the new product categories.

## Valuation

Manika Plastech is a design-led rigid polymer packaging manufacturer with an established presence across battery casings, pails and thinwall containers, supported by its diversified customer base and manufacturing footprint. The company's growth prospects remain favourable, supported by the planned expansion of installed capacity from 29,200 MTPA to 38,000 MTPA, increasing wallet share from existing customers and entry into new packaging applications through injection stretch blow moulding technology. The company also operates in an industry with structural demand drivers, with India's rigid plastic packaging market expected to grow at a CAGR of 6.8% between FY25 and FY29E, supported by growth across energy, paints and lubricants, food and beverages, personal care and other end-use industries. Financial performance has improved meaningfully, with revenue from operations, EBITDA and PAT growing at a CAGR of 9.9%, 37.3% and 39.4%, respectively, during FY24-FY26. EBITDA margin expanded from 8.6% in FY24 to 13.3% in FY26, while PAT margin improved from 3.2% to 5.1%, with margins improving further to 15.0% and 8.0%, respectively, in Q1 FY27. At the CMP of Rs. 43, the stock is valued at 18.2x FY26 P/E based on diluted EPS of Rs. 2.4. **Considering the company's improving profitability, structural growth in the rigid packaging industry, planned capacity expansion, diversification into new product categories and high repeat business from existing customers, we believe the current valuation is reasonable and recommend a "SUBSCRIBE" rating to the issue.**

## Key Risks

⇒ Manika derives a significant portion of its revenue from a limited number of customers. Revenue from the top five customers accounted for 58.8% in Q1FY27, 63.0% in FY26, 68.4% in FY25 and 64.3% in FY24. The RHP notes that changes in the industries in which these customers operate, changes in purchasing behaviour, delays or cancellations of orders, or renegotiation of terms could adversely affect revenue and profitability.

⇒ Manika is substantially dependent on PPCP, which accounted for 89.4% of total purchases in Q1 FY27 and 74.7% in FY26. Further, 66.8%-79.9% of raw material purchases were sourced from its top five suppliers during the periods disclosed, despite the absence of long-term purchase agreements with these suppliers. Any disruption in supply or increase in raw material prices could increase production costs and affect margins, particularly if the company is unable to fully pass on the higher costs to customers.

⇒ Battery casings remain Manika's largest product category, contributing 54.4% of revenue in Q1FY27 and 56.5% in FY26, compared with 65.6% in FY25 and 67.3% in FY24. reduction in demand for battery casings could adversely affect the company's business and financial performance. Demand can also be affected by geopolitical events, price movements, technological changes, substitute products and changes in demand and supply.

# Manika Plastech Limited

## Income Statement (Rs. in crores)

| Particulars | FY24 | FY25 | FY26 | Q1FY27 |
|---|---|---|---|---|
| Sales | 361 | 407 | 436 | 162 |
| **Total revenue from operations** | **361** | **407** | **436** | **162** |
| **Expenses** | | | | |
| Cost of material consumed | 224 | 262 | 253 | 95 |
| Purchase of Stock in Trade | 32 | 20 | 38 | 16 |
| Changes in inventories of finished goods and work-in-progress | -2 | -7 | -3 | 0 |
| Employee benefits | 25 | 25 | 27 | 7 |
| Other expenses | 50 | 62 | 63 | 19 |
| **Total operating expenses** | **330** | **361** | **378** | **138** |
| **EBITDA** | **31** | **45** | **58** | **24** |
| Depreciation & amortization | 13 | 13 | 14 | 4 |
| **EBIT** | **18** | **33** | **44** | **21** |
| Finance costs | 9 | 13 | 15 | 3 |
| Other Income | 8 | 6 | 1 | 0 |
| **PBT** | **16** | **25** | **30** | **18** |
| Total tax | 5 | 6 | 8 | 4 |
| **Net Profit** | **12** | **19** | **22** | **13** |
| **Diluted EPS** | **1.2** | **2.0** | **2.4** | **1.4** |

*Source: RHP, BP Equities Research*

## Cash Flow Statement (Rs. in crores)

| Particulars | FY24 | FY25 | FY26 | Q1FY27 |
|---|---|---|---|---|
| Cash Flow from operating activities | 35 | 37 | 44 | 10 |
| Cash flow from/(used in) investing activities | -53 | -23 | -19 | -6 |
| Cash flows (used in) / from financing activities | 18 | -13 | -26 | -4 |
| **Net increase/(decrease) in cash and cash equivalents** | **0** | **1** | **-1** | **0** |
| **Cash and cash equivalents at the beginning of the period** | 0 | 0 | 1 | 0 |
| **Cash and cash equivalents at the end of the period** | **0** | **1** | **0** | **0** |

*Source: RHP, BP Equities Research*

# Manika Plastech Limited

## Balance Sheet (Rs. in crores)

| Particulars | FY24 | FY25 | FY26 | Q1FY27 |
|---|---|---|---|---|
| **Assets** | | | | |
| **Non-Current Assets** | | | | |
| Property, plant & equipment | 119 | 144 | 148 | 153 |
| Intangible assets | 0 | 0 | 0 | 0 |
| Capital work in progress | 15 | 3 | 6 | 5 |
| Right of use assets | 7 | 9 | 8 | 7 |
| Financial assets | | | | |
| (i) Investments | 0 | 0 | 0 | 0 |
| (ii) Other financial assets | 2 | 3 | 3 | 3 |
| Income tax assets (net) | 1 | 0 | 0 | 0 |
| Other non-current assets | 3 | 2 | 4 | 3 |
| **Total Non-Current Assets** | **147** | **162** | **169** | **172** |
| **Current Assets** | | | | |
| Inventories | 39 | 65 | 61 | 66 |
| Financial assets | | | | |
| (i) Trade receivables | 45 | 61 | 66 | 65 |
| (ii) Cash & Cash equivalents | 0 | 1 | 0 | 0 |
| (iii) Other bank balances | 0 | 0 | 0 | 0 |
| (iv) Derivatives financial assets | 0 | 0 | 0 | 0 |
| (v) Other financial assets | 4 | 3 | 4 | 1 |
| Other current assets | 18 | 30 | 23 | 14 |
| **Total Current Assets** | **106** | **159** | **154** | **145** |
| **Total Assets** | **253** | **321** | **324** | **317** |
| **Equity and Liabilities** | | | | |
| Equity share capital | 19 | 19 | 19 | 19 |
| Other equity | 89 | 106 | 129 | 138 |
| **Total Equity** | **108** | **125** | **148** | **157** |
| **Liabilities** | | | | |
| **Non-Current Liabilities** | | | | |
| Financial liabilities | | | | |
| (i) Borrowings | 26 | 23 | 21 | 18 |
| (ii) Lease Liabilities | 5 | 8 | 7 | 6 |
| Provisions | 3 | 3 | 3 | 4 |
| Deferred tax liabilities (net) | 7 | 7 | 8 | 8 |
| **Total Non-Current Liabilities** | **41** | **41** | **39** | **36** |
| **Current Liabilities** | | | | |
| Financial Liabilities | | | | |
| (i) Borrowings | 67 | 74 | 67 | 75 |
| (ii) Lease Liabilities | 2 | 2 | 2 | 2 |
| (iii) Trade payables | 15 | 34 | 27 | 21 |
| (iv) Derivatives financial liabilities | 0 | 1 | 0 | 0 |
| (v) Other current financial liabilities | 16 | 37 | 37 | 21 |
| Other current labilities | 4 | 5 | 2 | 2 |
| Provisions | 1 | 1 | 1 | 1 |
| Current tax liabilities (net) | 0 | 1 | 0 | 2 |
| **Total Current Liabilities** | **104** | **155** | **137** | **124** |
| **Total Liabilities** | **145** | **196** | **176** | **160** |
| **Total Equity and Liabilities** | **253** | **321** | **324** | **317** |

*Source: RHP, BP Equities Research*

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|---|---|

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|---|---|

## Disclaimer Appendix

**Analyst (s) holding in the Stock : Nil**

**Analyst (s) Certification:**

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