Manipal Payment & Identity Solutions Ltd.

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IPO Note **08th Sept 2026**

Company Overview

Manipal Payment and Identity Solutions Limited (formerly MCT Cards & Technology Limited), incorporated in 2008, is a key subsidiary of Manipal Technologies Limited (MTL) and part of the wider Manipal Group, which has a printing legacy dating back to 1948. The company operates under a single Payment and Identity Solutions segment and has expanded its capabilities through the acquisition of MTL's Variable Data Printing and Secure Logistics business in 2024 and Revenue Assurance business in 2025. The company operates across four core verticals: Payment Solutions, Identification Solutions, Secure Solutions, and Smart Tagging & IoT Solutions. Its offerings include manufacturing and personalisation of credit, debit and prepaid cards, cheque books, contactless payment wearables and instant card issuance kiosks. Identification Solutions include Aadhaar cards, driving licences, vehicle registration certificates and transit cards, while Secure Solutions and Smart Tagging & IoT cover secure logistics, tamper-evident packaging, tax stamps, holograms and RFID-based tracking solutions. The company is one of the largest payment card manufacturers globally and in India, ranking 14th globally and highest among Indian manufacturers for combined chip and magstripe payment card shipments in CY23. In FY26, it held an estimated 36.4% share of credit card issuance and 30.9% share of debit card issuance in India, producing 13.54 million credit cards and 72.66 million debit cards. It has also billed over 1 billion Aadhaar cards across 12 regional languages. The company serves over 300 active customers across banking, financial services, government, insurance and commercial sectors. Its customer base includes 12 public sector banks, 22 private sector banks, 11 small finance banks, 78 co-operative banks and over 60 fintechs and payment banks, including SBI, HDFC Bank, ICICI Bank, Axis Bank, Airtel Payments Bank and Revolut. It also serves government departments through identity, driving licence, vehicle registration, tax stamp and public transit projects. Supported by 10 manufacturing facilities and personalisation bureaus across India, the company provides integrated manufacturing, personalisation and logistics capabilities. It also holds a patent for manufacturing dual-interface smart cards with metal face layers and supplies metal cards to India's top four card issuers. The company operates in a highly regulated and security-sensitive industry, supported by Payment Card Industry Data Security Standard (PCI DSS) Level 1 Version 4.0.1, INTERGRAF and Card Quality Management certifications. It has maintained long-standing relationships with Mastercard and RuPay and exports payment cards and security products to over 15 countries, including the UK, Singapore, UAE, South Africa, Nigeria and Brazil.

Objects of the issue

The offer comprises entirely a fresh issue of Rs. 320 crores. The company proposes to utilise the net proceeds from the fresh issue towards:

⇒ Funding capital expenditure of Rs. 238 crores towards purchase and installation of new and second-hand equipment across the company's card manufacturing, personalisation, cheque printing and Smart Tagging & IoT facilities; and

⇒ General corporate purposes

Investment Rationale

Dominant market position supported by strong entry barriers and premiumisation

Manipal Payment and Identity Solutions has established a leading position in India's payment card manufacturing market and a significant global presence. The company ranked 14th globally and highest among Indian manufacturers for combined chip and magnetic stripe card shipments in CY23. Domestically, it held an estimated 36.4% share of credit card issuance and 30.9% share of debit card issuance in FY26, providing significant operating scale and positioning it as a key beneficiary of the continued expansion of India's payment card ecosystem. The market remains underpenetrated, with India having only 0.91 cards per capita, compared with 7.2 in the USA and 8.0 in China, while the payment card TAM is expected to grow at a 20.7% CAGR between FY25 and FY30. In addition, the mandatory 3-7 year card replacement cycle creates recurring re-issuance demand and supports long-term volume visibility. The company operates in a highly regulated and security-sensitive industry where certification and customer qualification requirements create significant barriers to entry. It has maintained long-standing certifications and relationships with global payment networks, including Mastercard for over 16 years and RuPay for over 9 years, alongside Payment Card Industry Data Security Standard (PCI DSS) Level 1 Version 4.0.1 and central bank-level INTERGRAF credentials. These requirements involve stringent security standards and regular audits, making it difficult for new players to replicate the company's capabilities and customer relationships. The company is also well positioned to capture premiumisation in the card market through its patented dual-interface metal card technology. It supplies metal cards to India's top four credit card issuers, which collectively account

Issue Details	
Offer Period	09th Sept 2026 - 11th Sept 2026
Price Band	Rs. 322 - Rs. 339
Bid Lot	44
Listing	BSE & NSE
Issue Size (no. of shares in million)	2.4
Issue Size (Rs. in million)	805
Face Value (Rs.)	2

Issue Structure	
QIB	75%
NII	15%
Retail	10%
BRLM	Motilal Oswal Investment Advisors Ltd., Axis Capital Ltd., ICICI Securities Ltd., IIFL Capital Services Ltd., Nuvama Wealth
Registrar	MUFG Intime India Private Ltd.

Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	61.55%	53.02%
Public	38.45%	46.98%
Total	**100.00%**	**100.00%**

(Assuming issue subscribed at higher band)

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for more than 70% of credit cards outstanding, providing access to the fastest-growing premium segment and enabling a shift towards higher-value payment formats.

Integrated one-stop platform with sticky customers and multiple adjacent growth opportunities

The company has evolved beyond traditional card manufacturing into an integrated payment and identity solutions platform across Payment Solutions, Identification Solutions, Secure Solutions and Smart Tagging & IoT Solutions. The integration of MTL's Variable Data Printing and Secure Logistics business in 2024 and Revenue Assurance business in 2025 has expanded its capabilities across cards, cheques, secure welcome kits, personalisation and last-mile logistics. This enables the company to offer banks a bundled, end-to-end solution rather than individual products, helping reduce turnaround times and logistical complexity while strengthening its position against single-product competitors. The company serves over 300 active customers, including leading public and private sector banks, fintechs, payment banks, NBFCs and government departments. Its customer base remains sticky, with 61.3% of customers having been serviced for more than five years and the top 10 customers having an average relationship of 12.5 years. This stickiness is particularly valuable in payment card manufacturing, where banks place significant importance on security, reliability and established operational relationships. Beyond its core card business, the company has multiple avenues for expansion across RFID, FASTags, smart tagging, IoT, e-governance and anti-counterfeiting solutions. It has already billed over 1 billion Aadhaar cards, pioneered polycarbonate driving licences and developed smart tax stamp and track-and-trace solutions. Its growing presence in e-passports, National Common Mobility Cards (NCMC) cards, smart wearables and international markets further expands the addressable opportunity, allowing the company to leverage its existing secure manufacturing and technology capabilities across new products and geographies.

Valuation

Manipal Payment and Identity Solutions Limited is a leading player in India's payment and identity solutions market, with an estimated 36.4% share of credit card issuance and 30.9% share of debit card issuance in FY26. Payment card volumes remained resilient, with the company billing 86.2 million chip-based payment cards in FY26, broadly in line with FY25. The company has also scaled its international operations rapidly, with banking card exports increasing from 2.25 million units in FY24 to 10.42 million units in FY26, while export revenue increased from Rs. 17.6 crores to Rs. 95.7 crores. Premiumisation is another key growth driver, with metal card production increasing to 0.52 million cards in FY26 and revenue rising from Rs. 16.0 crores in FY24 to Rs. 82.9 crores. The company's diversified platform across payment cards, identification solutions, secure solutions and Smart Tagging & IoT solutions, coupled with a customer base of over 300 customers, provides multiple avenues for growth. However, legacy cheque printing and government identity businesses have moderated, with cheque volumes and government contract revenue declining over FY24-26. Working capital requirements have also increased, with net working capital days rising to 70.8 days in FY26, partly due to higher trade receivables following the Revenue Assurance acquisition. Profitability has strengthened despite modest revenue growth, with revenue increasing from Rs. 1,248 crores in FY24 to Rs. 1,327 crores in FY26, while EBITDA grew at a 12.8% CAGR from Rs. 335 crores to Rs. 426 crores. EBITDA margin expanded from 26.9% to 32.1%, supported by sourcing efficiencies and a favourable product mix. PAT remained broadly stable, while ROE and RoCE stood at 55.1% and 34.0% respectively, in FY26. The balance sheet has also strengthened materially, with Debt-to-Equity declining to 0.0x in FY26 from 1.1x in FY24. Looking ahead, increasing card penetration, recurring replacement cycles, premium metal cards, exports, identity solutions and the growing adoption of e-passports provide a strong structural growth opportunity. **At the upper end of the price band of Rs. 339, the company is valued at 30.1x P/E, at a premium to 24.7x P/E for Seshaasai Technologies Limited, its closest listed peer in payment card manufacturing. We believe the premium is supported by Manipal Payment and Identity Solutions' leading market position, stronger profitability, superior return ratios, diversified product portfolio and multiple growth opportunities. With a debt-free balance sheet and improving margins, the company is well placed to benefit from the structural growth in the payment and identity solutions market. Accordingly, we recommend a "SUBSCRIBE" rating from a medium to long-term perspective.**

Risks

- ⇒ The company has significant customer concentration, with its top 10 customers contributing 58.7% of FY26 revenue. Further, customer agreements typically have 3-5 year tenures with no exclusivity or minimum purchase commitments, while customers may terminate contracts at short notice, creating risks to revenue visibility and customer retention.
- ⇒ The company is exposed to supplier concentration and import dependence, with its top 10 suppliers accounting for 56.1% of FY26 purchases and imports contributing 49.6% of total purchases. The absence of routine cost pass-through mechanisms could expose margins to supply chain disruptions, geopolitical risks and foreign exchange movements.
- ⇒ The company plans to deploy Rs. 238 crores towards new and second-hand equipment across its manufacturing and personalisation facilities. Delays in installation, higher maintenance or procurement costs, equipment performance issues or lower-than-expected utilisation could affect the benefits from the planned capital expenditure.
- ⇒ The company remains exposed to legal, lease and contingent liability risks. Promoter-related legal proceedings are pending, while several manufacturing, personalisation and warehouse facilities operate under leases that require periodic renewal. In addition, bank guarantees of Rs. 130.8 crores and disputed central excise liabilities of Rs. 134.9 crores could result in additional financial exposure.

Manipal Payment & Identity Solutions Ltd.

Income Statement (Rs. in crores)

Particular	FY24	FY25	FY26
Revenue			
Total revenue from operations	**1,248**	**1,256**	**1,327**
Cost of materials consumed	542	428	419
Purchase of stock-in-trade	37	30	53
Changes in inventories	16	3	-14
Gross Profit	**652**	**796**	**869**
Employee benefits expense	90	104	114
Other expenses	227	304	329
EBITDA	**335**	**388**	**426**
Depreciation & amortisation	35	55	56
EBIT	**300**	**333**	**370**
Finance cost	20	109	48
Other income	20	21	30
PBT (before exceptional items)	**300**	**244**	**352**
Exceptional items	0	110	-2
PBT (after exceptional items)	**300**	**354**	**349**
Tax	**51**	**72**	**96**
Net profit	**249**	**282**	**253**
Diluted EPS (in Rs.)	**12.0**	**13.4**	**11.3**

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in crores)

Particulars	FY24	FY25	FY26
Cash Flow from operating activities	309	284	208
Cash flow from/(used in) investing activities	-76	-586	243
Net cash flows (used in) / from financing activities	267	-173	-328
Net increase/(decrease) in cash and cash equivalents	**500**	**-475**	**123**
Cash and cash equivalents at the beginning of the period	**5**	**505**	**30**
Effect of foreign exchange on cash and cash equivalents	**0**	**0**	**2**
Cash and cash equivalents at the end of the period	**505**	**30**	**155**

Source: RHP, BP Equities Research

Balance Sheet (Rs. in crores)

Particulars	FY24	FY25	FY26
Assets			
Financial Assets			
(a) Cash and cash equivalents	544	85	200
(b) Trade receivables	119	139	197
(c) Investments	0	172	61
(d) Loans	100	0	0
(e) Other financial assets	30	597	45
Total Financial Assets	**793**	**993**	**504**
Non-Financial Assets			
(a) Inventories	112	109	183
(b) Property, plant and equipment	89	113	179
(c) Right-of-use assets	44	99	170
(d) Capital work-in-progress	4	12	12
(e) Other intangible assets	5	3	3
(f) Tax assets (net)	3	2	0
(g) Deferred tax assets (net)	11	23	21
(h) Other non-financial assets	41	55	89
Total Non-Financial Assets	**310**	**417**	**657**
Total Assets	**1,103**	**1,410**	**1,161**
Equity and Liabilities			
Equity Share Capital	41	41	44
Other Equity	48	263	747
Total Equity	**90**	**304**	**792**
Liabilities			
Financial Liabilities			
(a) Borrowings	449	473	0
(b) Lease liabilities	43	92	152
(c) Trade payables	89	92	123
(d) Other financial liabilities	389	388	19
Total Financial Liabilities	**970**	**1,044**	**294**
Non-Financial Liabilities			
(a) Provisions	26	32	32
(b) Tax liabilities	4	11	8
(c) Other non-financial liabilities	13	17	35
Total Non-Financial Liabilities	**43**	**61**	**75**
Total Liabilities	**1,013**	**1,105**	**369**
Total Equity and Liabilities	**1,103**	**1,410**	**1,161**

Source: RHP, BP Equities Research

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Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

Analyst (s) Certification:

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