

Manipal Payment and Identity Solutions Ltd – IPO Investment Note

Issue Open	Issue Close	Price Band (₹)	Rating
9 September 2026	11 September 2026	₹322-339	Neutral

Investment Summary

Manipal Payment and Identity Solutions Limited is a specialized **B2B provider of secure payment products**, identity solutions, and smart tagging components catering to banking, financial services, and government sectors. The company manufactures and personalizes plastic and metal payment cards, cheque books, national identification cards, excise tax stamps, holograms, and RFID/IoT-enabled solutions. Its business model combines high-volume institutional card issuance with secure variable data printing, supported by 10 specialized facilities across India and strong brand backing from The Manipal Group. Revenue from operations increased from ₹1,247.52 Cr in FY24 to ₹1,326.75 Cr in FY26, while EBITDA and PAT reached ₹455.83 Cr (33.60% margin) and ₹253.46 Cr (18.68% margin), respectively. The IPO comprises a **Fresh Issue of 94,39,528 shares** aggregating to **₹320 Cr** and an **OFS of 1,43,06,785 shares** aggregating to **₹485 Cr** at the upper price band of ₹339. **Fresh proceeds** will fund **₹238.43 Cr of capital expenditure** for purchasing and setting up equipment to enhance capacity and automation. While the company maintains industry-leading profitability and strong client relationships, the issue is priced at a premium FY26 post-issue P/E of 31.02x relative to its listed peer. Considering the rich valuation, high customer concentration (top 10 contributing 58.67% of revenue), and ongoing digital disruption from UPI and cardless alternatives, we assign a **Neutral rating** on the issue.

Company Overview

Manipal Payment and Identity Solutions Limited (formerly MCT Cards & Technology Limited), incorporated in 2008, is a prominent provider of secure payment products, identification solutions, and smart tagging components catering to banking, financial services, and government sectors. The company manufactures and personalizes a comprehensive portfolio of products, including plastic and metal payment cards, cheque books, government identity cards (driving licenses and vehicle registration certificates), excise tax stamps, holograms, and RFID/IoT solutions. Operating through 10 manufacturing, personalization, and secure printing facilities across India, it maintains capabilities spanning card production, chip embedding, data personalization, secure variable data printing, and integrated logistics. Its solutions serve critical applications in electronic banking payments, mass transit mobility, transit tolling, anti-counterfeiting, and public identity infrastructure. Manipal Payment caters to domestic and international markets across 50+ countries, supported by an established base of over 344 clients comprising public and private sector banks, payment networks, fintechs, and government departments. Financially, the company reported Revenue from Operations of ₹1,326.75 Crores, an EBITDA of ₹455.83 Crores, and a PAT of ₹253.46 Crores in FY26. Promoted by T. Satish U. Pai, Sandhya S. Pai, Tonse Gautham Pai, and Manipal Technologies Limited.

Business Model

Manipal Payment and Identity Solutions Limited operates a B2B, vertically integrated manufacturing and secure solutions model catering to the banking, financial services, government, and consumer sectors. The business is structured across two primary streams: Sale of Products and Sale of Services. Product offerings comprise payment cards (plastic, dual-interface, metal, and contactless cards), cheque books and banking collaterals, government identity cards (driving licenses and vehicle registration certificates), excise tax stamps, holograms, and smart RFID/IoT tags. In FY26, card manufacturing and trading constituted the core revenue driver at ₹759.52 Crores (57.25% of Revenue from Operations), followed by tax stamps, holograms, and RFID products at ₹180.13 Crores (13.58%), and cheque books and collaterals at ₹120.92 Crores (9.11%). The services vertical includes card personalization (₹49.94 Crores, 3.76%) and secure variable data printing and logistics (₹150.39 Crores, 11.34%). The company generates revenue via long-term master service agreements, purchase orders, and public tenders awarded by commercial banks, fintechs, and government authorities. Its operating model leverages 10 specialized facilities across India, strict security accreditations from payment networks like MasterCard and RuPay, and centralized card processing centers to deliver end-to-end customized solutions with high barriers to entry.

Investment Rationale

Comprehensive Secure Solutions Portfolio: Manipal Payment operates a highly diversified business spanning payment cards (plastic, metal, and contactless), government identity solutions, cheque books, tax stamps, holograms, and smart RFID/IoT tags. This expansive portfolio allows the company to capture multiple revenue streams across the banking, financial services, and government verticals.

Integrated Manufacturing & Personalization Footprint: The company maintains end-to-end capabilities through 10 specialized facilities across India. Its infrastructure supports the entire value chain - from card manufacturing and chip embedding to secure variable data printing and integrated logistics - creating high barriers to entry backed by stringent network certifications from MasterCard and RuPay.

Strong Institutional & Government Clientele: The company caters to an established B2B base of 344 customers as of March 31, 2026, encompassing major public and private sector banks, fintechs, and government departments. These deep-rooted relationships provide high revenue visibility and recurring replacement demand for secure products.

Consistent Financial Scale & Profitability: Manipal Payment demonstrated robust financial performance with Revenue from Operations reaching ₹1,326.75 Crores in FY26. High operating leverage and an increasing mix of high-margin services have driven an exceptional EBITDA margin of 33.60% (₹455.83 Crores) and a strong Profit After Tax margin of 18.68% (₹253.46 Crores) in FY26.

Strategic Beneficiary of Digital Infrastructure: The company is well-positioned to capitalize on structural industry tailwinds, including the growing adoption of contactless and premium metal cards, increasing government mandates for secure identification, and expanding global applications for smart tagging and IoT solutions.

Key Risk Factors

High Customer Concentration Risk: The top 10 customers accounted for a significant 58.67% of total FY26 revenue from operations (₹778.35 Crores), with the largest single customer contributing 9.93%. The loss of any of these key institutional or banking clients, or a reduction in their replacement cycles, could materially adversely affect business growth and financial condition.

High Dependence on Physical Payment Cards: A substantial 57.25% of FY26 revenue was derived from the sale of manufactured and traded cards (₹759.52 Crores). A rapid shift in consumer preferences toward cardless digital transactions (like UPI and virtual wallets) or adverse regulatory changes could significantly erode physical card demand.

Raw Material Price Volatility and Supplier Concentration: The top 10 suppliers constituted 56.05% of total purchases in FY26 without long-term agreements. Furthermore, the company imported 49.56% (₹277.44 Crores) of its raw materials (such as chips, PVC, and holograms), exposing margins to supply chain bottlenecks, foreign exchange fluctuations, and unhedged price spikes.

Reliance on The Manipal Group Ecosystem: The company depends significantly on the 'Manipal' brand and pays a user royalty and management fee of 1.75% of net turnover (capped at ₹40.00 Crores annually) to Manipal Technologies Limited. Any deterioration in this relationship, withdrawal of brand rights, or negative publicity surrounding the promoter group could adversely impact business operations.

Working-Capital Intensity and Receivable Cycles: The company operates a working capital-intensive model, with net working capital standing at ₹257.35 Crores in FY26, resulting in an elongated cycle of 70.80 net working capital days. Trade receivables stood at ₹197.38 Crores (54.30 debtor days), where any collection delays from government or institutional clients could exert pressure on liquidity.

Financial Snapshot

Metric	FY24	FY25	In Cr FY26
Revenue from Operations	1,247.52	1,256.07	1,326.75
EBITDA	355.57	408.77	455.83
EBITDA Margin	28.04%	32.01%	33.60%
Profit After Tax (PAT)	249.17	282.21	253.46
PAT Margin	19.65%	22.10%	18.68%
Basic EPS (₹)	11.21	12.69	11.40

IPO Details and Use of Proceeds

Parameter	Details
Issuer	Manipal Payment and Identity Solutions Limited
IPO Issue Size	2,37,46,313 shares (agg. up to ₹805 Cr) Fresh Issue 9,43,9,528 shares (agg. up to ₹320 Cr) Offer for Sale 1,43,06,785 shares (agg. up to ₹485 Cr)
Price Band	₹322 – ₹339 per share
Face Value	₹2 per share
IPO Opening Date	9 September 2026
IPO Closing Date	11 September 2026
Listing	NSE / BSE
Promoter Holding (Pre/Post)	Pre-IPO: 61.55% → Post-IPO: ~53.92%
Book Running Lead Managers	Motilal Oswal Investment Advisors Limited, Axis Capital Limited, ICICI Securities Limited, IIFL Capital Services Limited, Nuvama Wealth Management Limited
Use of Proceeds	₹238.43 Cr towards funding the capital expenditure requirements of the company towards purchasing and setting up of new and second-hand equipment.

Valuation and Outlook

At the upper price band of **₹339**, Manipal Payment and Identity Solutions Limited is valued at a FY26 P/E of **31.02x**, based on a post-issue market capitalization of **~₹7,858 Cr**. The RHP-listed peer Sessaasai Technologies Limited trades at a comparatively lower P/E multiple of 24.97x. At the offered price, the valuation appears rich compared to its listed peer, leaving limited margin of safety despite the company's integrated manufacturing capabilities, strong banking clientele, and dominant position in the secure payments ecosystem. Furthermore, the business remains exposed to high customer concentration (top 10 accounting for 58.67% of FY26 revenue), structural threats from the rapid adoption of cardless digital payments like UPI, and raw-material import dependencies. While the proposed ₹238.43 Cr capital expenditure allocation will support critical equipment upgrades and automation, the premium pricing restricts immediate upside. Hence, we assign a **Neutral rating** to the IPO, as we suggest a balanced holding approach for existing investors, with key monitorables being working-capital cycles, client retention, and physical card demand trends.

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