Retail Research	IPO Note
Sector: Fintech	Price Band (Rs): 322 - 339
8th September 2026	Recommendation: NEUTRAL

Manipal Payment & Identity Solutions Ltd.

Company Overview:

Manipal Payment & Identity Solutions Ltd. (MPISL) is a leading provider of ***payment*** (cards, cheque solutions, NFC/QR-based solutions, etc.), ***identity*** (driving licenses, registration certificates, etc.), ***secure credential*** (secure logistics, personalization of insurance policies, premium notices, etc.), ***smart tagging*** and ***IoT solutions*** (entail printing of excise labels with holograms and encrypted QR codes, etc), serving 300+ customers across banks, fintechs, NBFCs, governments, and corporates. In FY26, the company held an estimated 36.4% share of India's credit card issuance market and 30.9% of the debit card issuance market, billing 13.5 mn credit cards and 72.7 mn debit cards. MPISL is among the largest payment card manufacturers globally and in India. It is a leading producer of dual-interface and patented metal cards, and supplies metal cards to the top four credit card issuers in India. MPISL is also one of India's largest producers of national identity cards, having billed over 1 bn cards in 12 regional languages. The company exports to 15+ countries and operates 10 manufacturing facilities across 11 cities and has PCI-DSS Level 1 certification.

Key Highlights:

1. Largest manufacturer of payments cards: MPISL is among the largest payment card manufacturers in India and globally, ranking 1st in India and 14th globally by payment card shipments in 2023. In FY26, it billed 86.2 mn chip-based cards and operated 119 mn cards of annual capacity (69.1% utilization). It exports to 15+ countries and operates 14 personalization bureaus across India. Backed by advanced manufacturing capabilities, technological expertise, and long-standing relationships with banks, fintechs, and government institutions, MPISL is well-positioned to capitalize on the growth of India's payment card market, which is projected to expand at a 13.1% CAGR between FY26 and FY30, with annual card issuances expected to increase from 335 mn in 2025 to 535 mn by 2030.

2. Long-standing relationships with marquee customers: MPISL serves 300+ customers, including 22 private banks, 12 public sector banks, 11 small finance banks, 78 co-operative banks, and 60+ fintechs. The company has deep relationships with leading institutions such as SBI, HDFC Bank, ICICI Bank, Axis Bank, and Kotak Mahindra Bank. In FY26, 61.3% of customers (211 customers) had been associated with MPISL for over 5 years, contributing 72.7% of revenue, while the average relationship with its top 10 customers exceeded 12 years. The company has also secured 17 government projects over the last three years, underscoring its strong market position and customer trust.

3. Diversified product portfolio: MPISL offers a comprehensive suite of payment, identity, secure credential, smart tagging, and IoT solutions, including payment cards, cheques, secure logistics, wearables, identity documents, and track-and-trace solutions. The company launched India's first rPVC RuPay card in 2024 and is among the leading manufacturers of dual-interface and (National Common Mobility Cards) NCMC-compliant transit cards. Beyond banking, MPISL supports government projects through operations across 88 RTOs in 3 states with 254+ deployed personnel, reinforcing its position as an integrated one-stop solutions provider.

Valuation: **Manipal Payments & Identity Solutions Ltd is among the largest payment card manufacturers in India and globally, serving 300+ customers across banking, fintech, government, and corporate segments. The company delivered a Revenue/EBITDA/PAT CAGR of 3.1%/12.7%/0.9% during FY24-FY26, while maintaining healthy RoCE/RoE of 50.1%/32.3%. However, growth in card volumes remained subdued, with banking cards issued declining from 92.0 mn in FY24 to 86.2 mn in FY26. Working capital intensity has also increased, reflected in higher receivable and inventory days. At the upper price band of Rs 339, the issue is valued at 30.7x FY26 post-issue P/E. While MPISL is well-placed to benefit from growth in payment and identity solutions, muted revenue growth, rising working capital requirements, and the increasing adoption of digital payment alternatives such as UPI may impact future growth outlook. Hence, we assign a NEUTRAL rating to the issue and would like to track the company's performance for a few quarters post-listing.**

Issue Details	
Date of Opening	9th September 2026
Date of Closing	11th September 2026
Price Band (Rs)	322 – 339
Issue Size (Rs cr)	805 @ upper price band
Fresh Issue (Rs cr)	320 @ upper price band
Offer for Sale (Rs cr)	485 @ upper price band
Issue Size (No. of shares)	2,37,46,313 @ upper price band
Face Value (Rs)	2
Post Issue Market Cap (Rs cr)	7,480 – 7,858
BRLMs	Motilal Oswal Investment Advisors Ltd, Axis Capital Ltd, ICICI Securities Ltd, Nuvama Wealth Management Ltd and IIFL Capital Services Ltd
Registrar	MUFG Intime India Pvt Ltd
Bid Lot	44 shares and in multiples thereof
QIB shares	75%
NII shares	15%
Retail shares	10%

Objects of Issue

Particulars	Estimated utilization from net proceeds (Rs cr)
Capital Expenditure on Equipment	238.4
General corporate purposes*	-
Net proceeds from fresh issue	-

**The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

Shareholding Pattern

Pre-Issue	No. of Shares	%
Promoter & Promoter Group	13,93,02,995	62.6
Public & Others	8,30,62,005	37.4
Total	**22,23,65,000**	**100.0**

Post Issue @ Upper Price Band	No. of Shares	%
Promoter & Promoter Group	12,49,96,210	53.9
Public & Others	10,68,08,318	46.1
Total	**23,18,04,528**	**100.0**

Selling Shareholders through OFS	Category	Rs cr
Manipal Technologies Limited	Promoter	485

Source: RHP, SBICAP Securities Research

Key Financials

Particulars (Rs cr)	FY24	FY25	FY26
Revenue from operations	1,248	1,256	1,327
EBITDA	335	388	426
Adj. PAT	249	172	256
EBITDA Margin (%)	26.9	30.9	32.1
Adj. PAT Margin (%)	20.0	13.7	19.3
Adj. EPS	11.2	7.7	11.5
RoE (%)	278.0	56.6	32.3
RoCE (%)	59.5	59.7	50.1
P/E (x)*	30.3	43.8	29.5

**Note: Pre-issue P/E is based on upper price band*
Source: RHP, SBICAP Securities Research

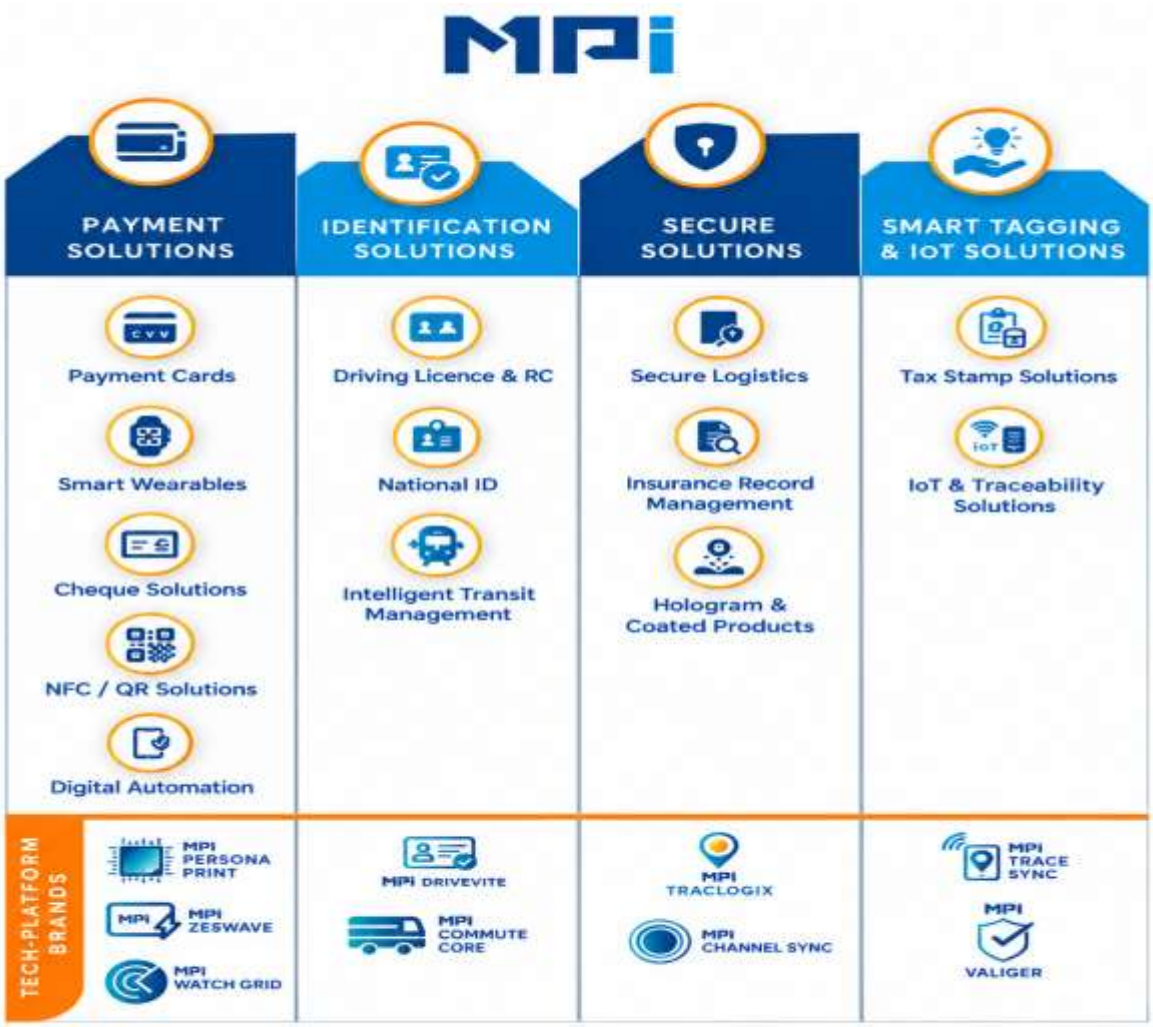
Risk Factors

- **Customer concentration:** Top 10 customers contributed 62.5% / 61.0% / 58.7% of revenue in FY24/FY25/FY26. The business has high exposure to a concentrated customer base, primarily banks, fintechs, and government entities, making revenues vulnerable to the loss of key accounts or lower wallet share.
- **Supplier concentration:** Top 10 suppliers accounted for 59.7% / 62.3% / 56.1% of total purchases in FY24/FY25/FY26. The company remains dependent on a concentrated supplier base for critical inputs such as semiconductor chips, PVC sheets, holograms, and MICR paper, exposing it to supply disruption and pricing risks. Related-party suppliers Techshresta Solutions Pvt. Ltd. and Manipal Technologies Ltd. contributed 9.7% and 3.4% of FY26 purchases, respectively.
- **Revenue concentration:** The cards segment generated 59.6% / 58.4% / 57.3% of total revenue in FY24/FY25/FY26. Any slowdown in card demand due to regulatory changes, technological shifts, competition, or economic weakness could materially impact growth and profitability.
- **Equipment Risk:** The company plans to deploy ~Rs 238 cr from IPO proceeds towards new and second-hand equipment. Second-hand machinery carries risks of lower reliability, higher maintenance costs, unexpected downtime, and shorter useful life, potentially affecting production efficiency and returns on investment.
- **Payment Network Compliance Risk:** Dependence on Mastercard and RuPay certifications exposes the company to regulatory and security compliance risks. Any certification lapse or revocation could disrupt operations, lead to customer losses, and impact revenues.

Growth Strategies

- Drive international growth through credit card and instant issuance solutions.
- Expand presence in the fast-growing premium metal cards segment.
- Strengthen and consolidate leadership position in India's card issuance market.
- Diversify revenue streams through government and enterprise identity solutions.
- Scale tax stamp solutions across new domestic and international markets.
- Undertake capacity expansion to capture rising demand for payment cards.
- Continue to innovate, advance technology and expand offerings.
- Pursue strategic inorganic growth opportunities through acquisitions and partnerships

Business offerings



Source: RHP, SBICAP Securities Research

Pan-India Manufacturing Presence

Source: RHP, SBICAP Securities Research

Revenue Mix

Particulars	FY24		FY25		FY26	
	Rs cr	% of revenue	Rs cr	% of revenue	Rs cr	% of revenue
Sale of Products						
Cards- Manufactured and traded	744	59.6%	733	58.4%	760	57.3%
Cheque books, collaterals and identity cards	110	8.8%	111	8.8%	121	9.1%
Tax stamps, Holograms, Thermal and RFID products	216	17.3%	159	12.6%	180	13.6%
Others	27	2.2%	64	5.1%	66	5.0%
Sale of Services						
Personalization of Cards	86	6.9%	55	4.4%	50	3.8%
Others	66	5.3%	134	10.7%	150	11.3%
Total	**1,248**	**100.0%**	**1,256**	**100.0%**	**1,327**	**100.0%**

Source: RHP, SBICAP Securities Research

Revenue Mix – Domestic & Export

Particulars	FY24		FY25		FY26	
	Rs cr	% of revenue	Rs cr	% of revenue	Rs cr	% of revenue
Domestic Revenue						
Government	316	25.3%	229	18.3%	202	15.3%
Non-Government	914	73.3%	972	77.4%	1029	77.5%
Export Revenue						
Non-Government	18	1.4%	54	4.3%	96	7.2%
Total	**1,248**	**100.0%**	**1,256**	**100.0%**	**1,327**	**100.0%**

Source: RHP, SBICAP Securities Research

Manufacturing Capacities & Utilization

Business	FY24		FY25		FY26	
	Installed Capacity (mn)	Capacity Utilization %	Installed Capacity (mn)	Capacity Utilization %	Installed Capacity (mn)	Capacity Utilization %
Plastic card manufacturing	109.2	86.4%	120.1	66.0%	118.3	69.1%
Metal card manufacturing	0.1	7.3%	0.4	90.0%	0.7	77.2%
Cheque leaf printing	2,673.2	44.4%	2,673.2	34.6%	2,673.2	32.2%
Secure solutions- Offset Printing	272.6	54.5%	272.6	38.5%	272.6	36.7%
Tax stamps	6,415.7	81.8%	6,816.7	77.7%	8,019.7	67.8%

Source: RHP, SBICAP Securities Research

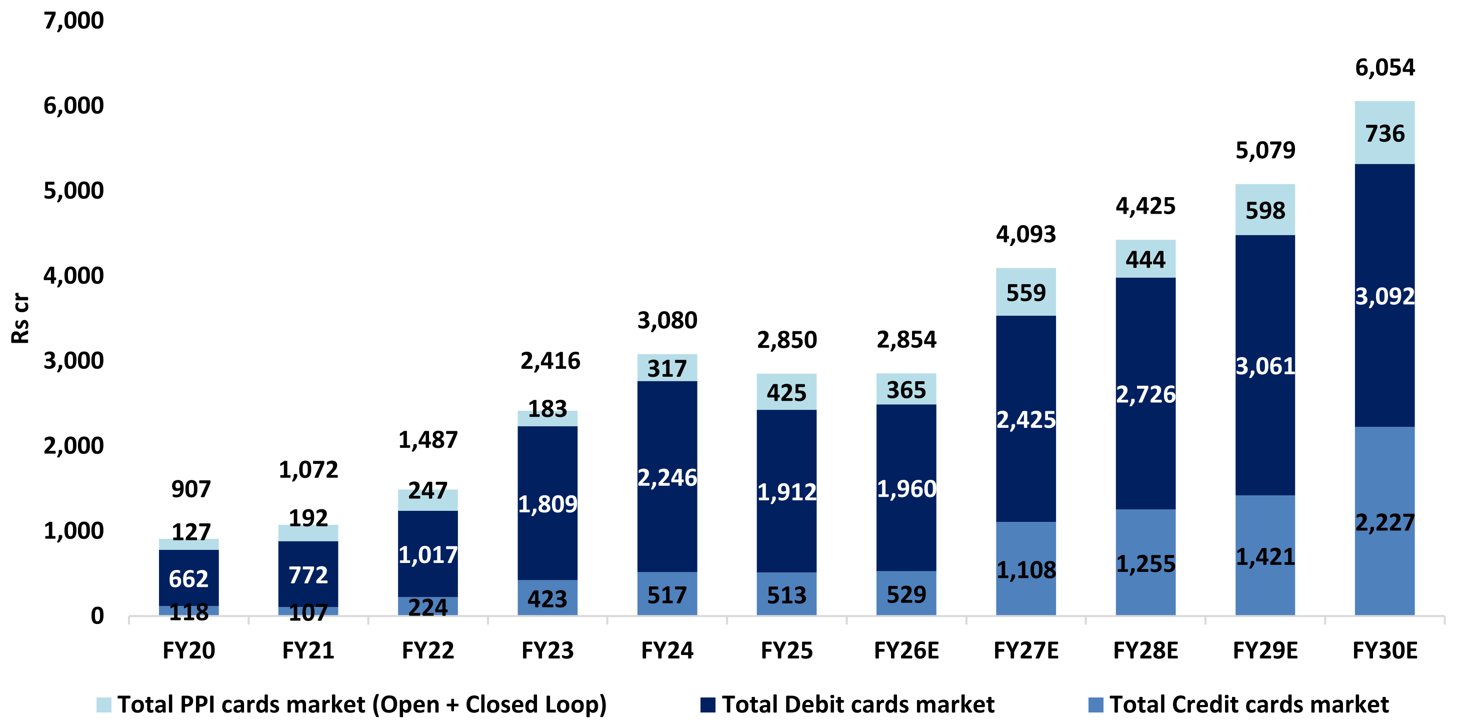
Key Performance Indicators

Particulars	FY24	FY25	FY26
Volume of banking cards (Nos. in mn)	92	86	86
Number of Personalization Bureau (Nos.)	12	14	14

Source: RHP, SBICAP Securities Research

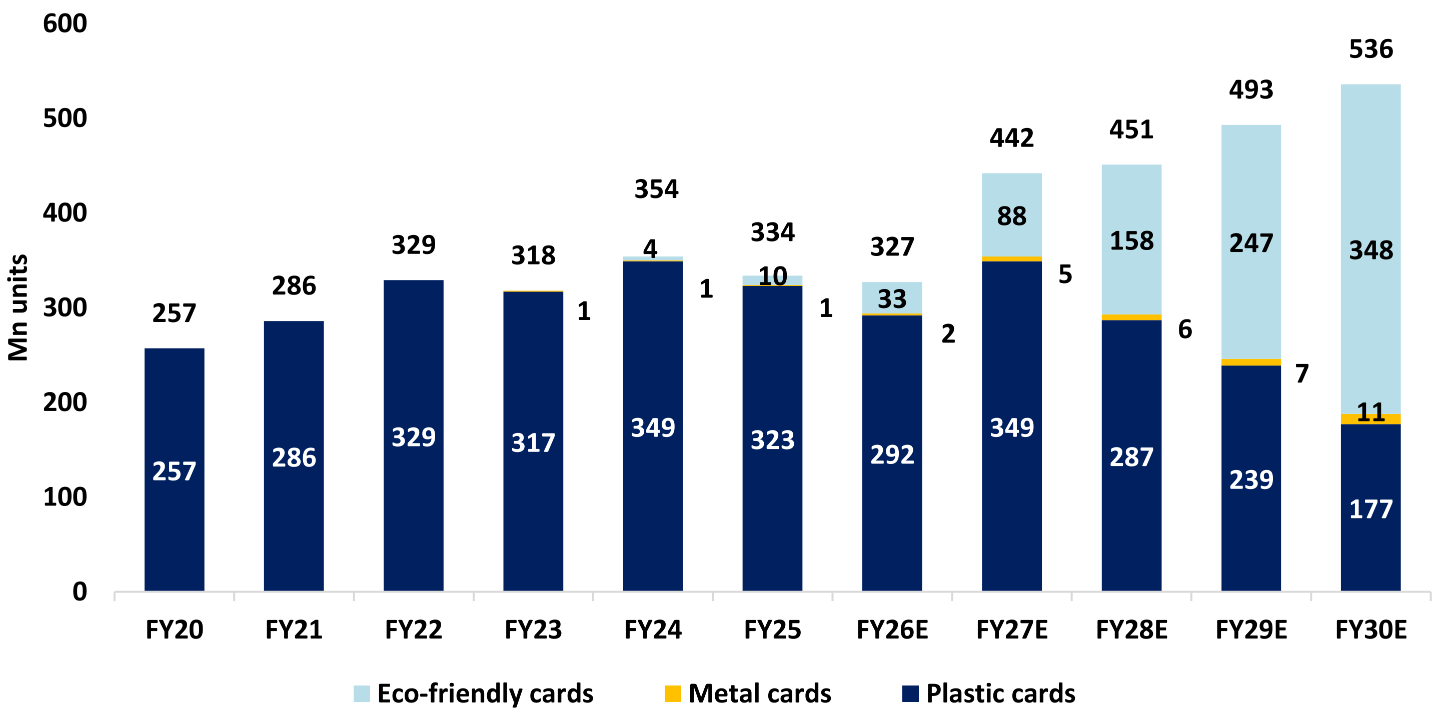
Industry Overview

Total payments card market size in India



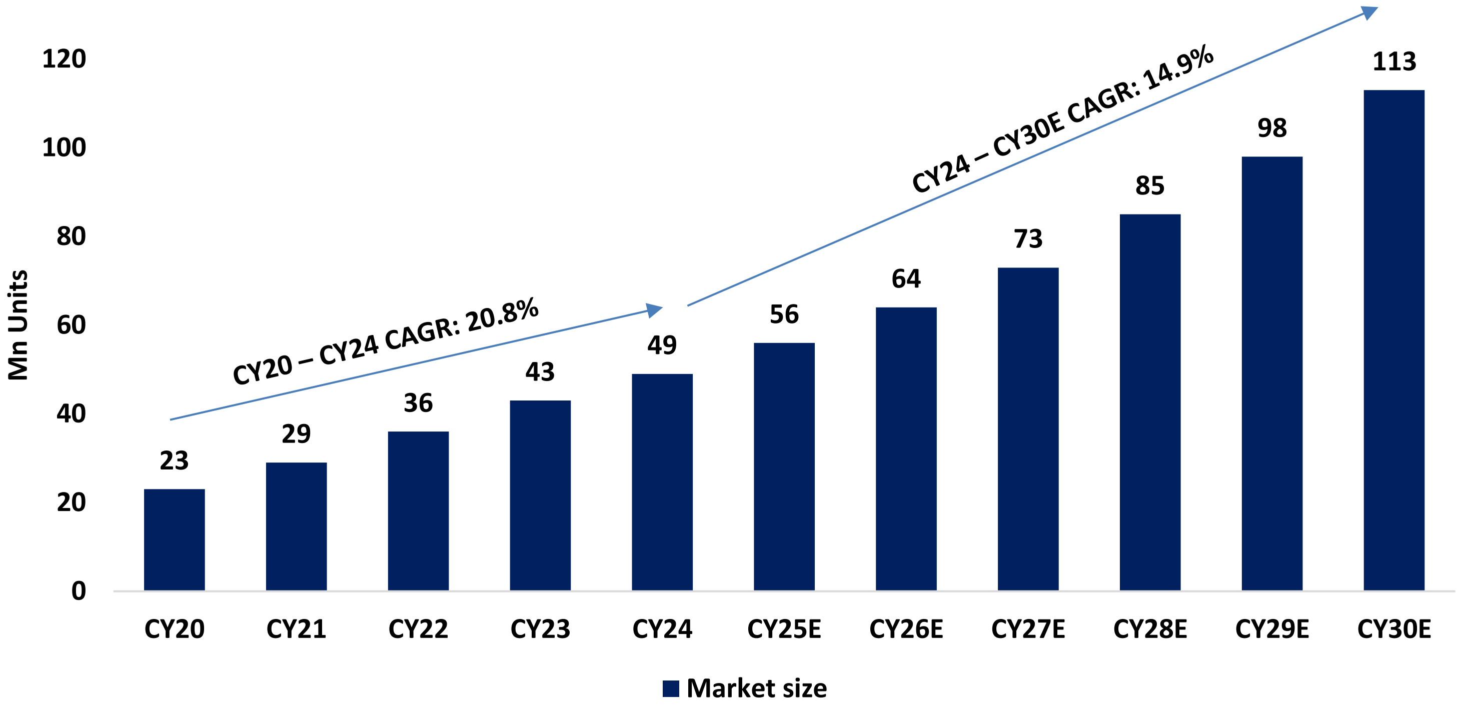
Source: RHP, SBICAP Securities Research

Total payments cards issued in India split by material



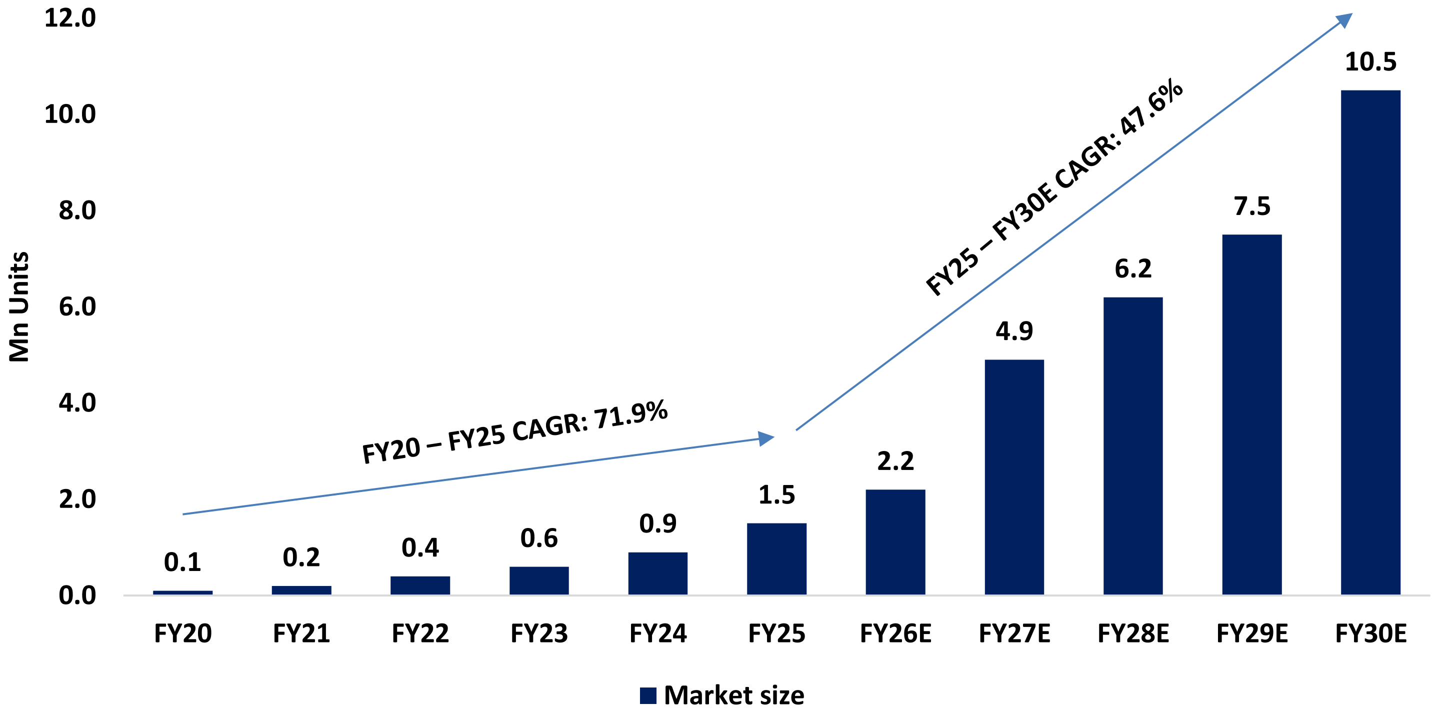
Source: RHP, SBICAP Securities Research

Global metal cards market size by number of cards issued



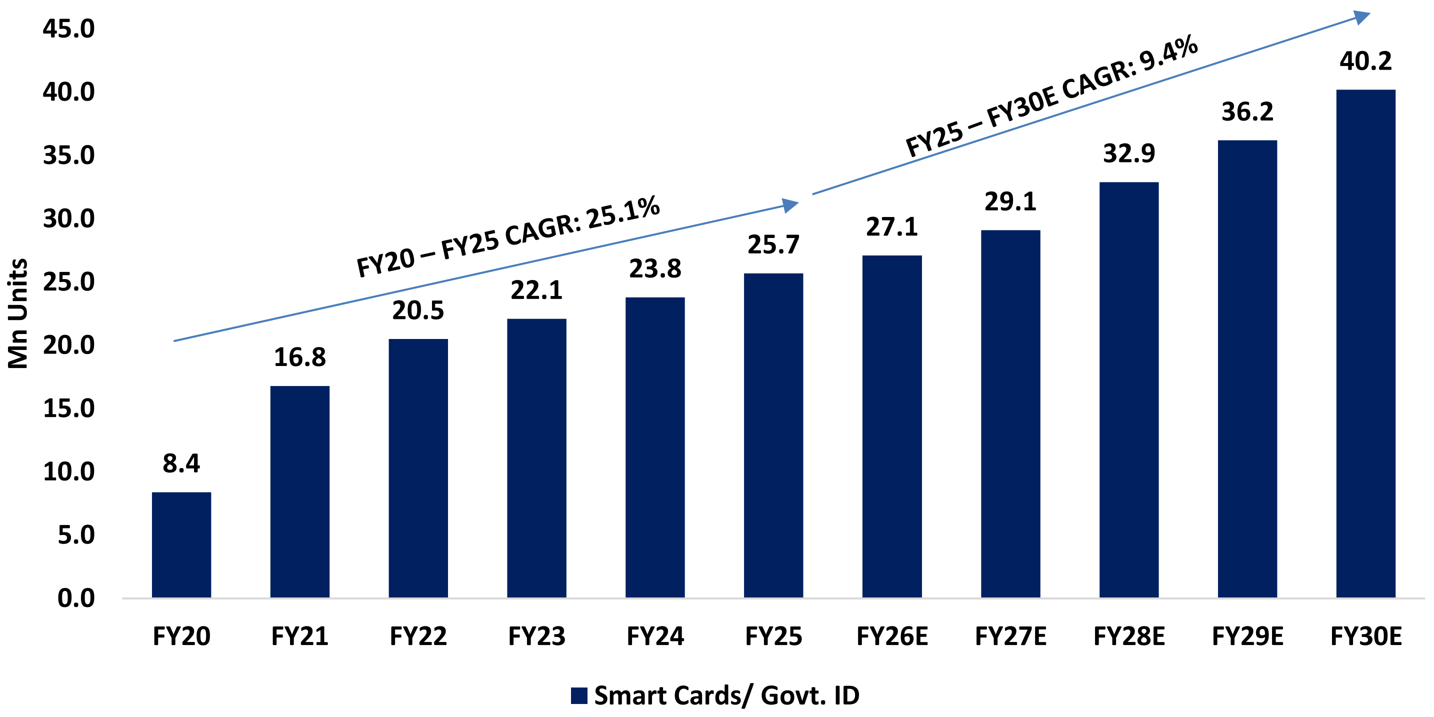
Source: RHP, SBICAP Securities Research

Total India metal cards market size by number of cards issued



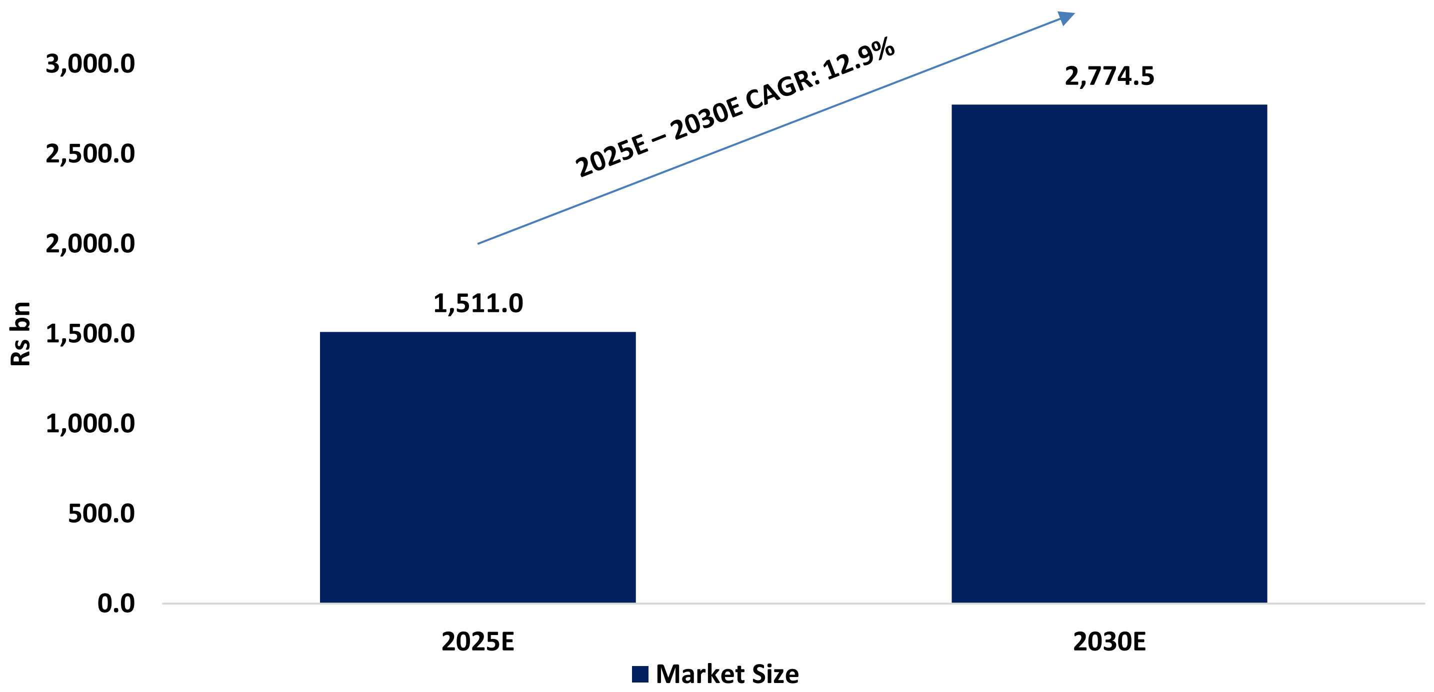
Source: RHP, SBICAP Securities Research

Total Smart Cards/Government ID Issued in India



Source: RHP, SBICAP Securities Research

Global RFID Market size



Source: RHP, SBICAP Securities Research

Peer Comparison

Particulars (Rs cr)	Manipal Payment & Identity Solutions Ltd	Seshaasai Technologies Ltd
CMP (Rs)	339	390
Mkt Cap.	7,858	6,312
Enterprise Value	7,339	5,979
Sales	1,327	1,441
EBITDA	426	380
Adj. Net Profit	256	240
EBITDA Margin (%)	32.1	26.4
Adj. Net Profit Margin (%)	19.3	16.7
RoE (%)	32.3	16.8
RoCE (%)	50.1	23.3
P/E (x)	30.7	26.3
EV/EBITDA (x)	17.2	15.7
EV/Sales (x)	5.5	4.1

Source: RHP, SBICAP Securities Research.
For Manipal Payment & Identity Solutions Ltd., the Market Cap, P/E (x), EV/EBITDA (x) and EV/Sales (x) are calculated on post-issue equity capital at the upper price band.
CMP of peer companies is closing price of 08th September, 2026

Financial Snapshot

INCOME STATEMENT			
Particulars (Rs cr)	**FY24**	**FY25**	**FY26**
Revenue from Operations	**1,248**	**1,256**	**1,327**
YoY growth (%)	***-***	***0.7%***	***5.6%***
COGS (incl Stock Adj)	**595**	**460**	**458**
Gross Profit	**652**	**796**	**869**
Gross margins (%)	***52.3%***	***63.4%***	***65.5%***
Employee Cost	90	104	114
Other Operating Expenses	227	304	329
EBITDA	**335**	**388**	**426**
EBITDA margins (%)	***26.9%***	***30.9%***	***32.1%***
Other Income	20	21	30
Interest Exp.	20	109	48
Depreciation	35	55	56
Exceptional item	-	(110)	2
PBT	**300**	**354**	**349**
Tax	51	72	96
PAT	**249**	**282**	**253**
PAT margin (%)	***20.0%***	***22.5%***	***19.1%***
EPS (Rs)	**11.2**	**12.7**	**11.4**
Adj. PAT	**249**	**172**	**256**
Adj. PAT margin (%)	***20.0%***	***13.7%***	***19.3%***
Adj. EPS	**11.2**	**7.7**	**11.5**

BALANCE SHEET			
Particulars (Rs cr)	**FY24**	**FY25**	**FY26**
Assets			
Net Block	89	113	179
Right of use assets	44	99	170
Capital WIP	4	12	12
Intangible Assets	5	3	3
Other Non current Assets	53	55	54
Current Assets			
Current Investment	-	172	61
Inventories	112	109	183
Trade receivables	119	139	197
Cash and Bank Balances	544	85	200
Short-term loans and advances	100	-	-
Other Current Assets	33	621	102
Total Current Assets	**908**	**1,127**	**742**
Current Liabilities & Provisions			
Trade payables	89	92	123
Other current liabilities	44	417	62
Short-term provisions	25	31	29
Total Current Liabilities	**158**	**539**	**214**
Net Current Assets	**750**	**588**	**529**
Total Assets	**945**	**871**	**947**
Liabilities			
Share Capital	41	41	44
Reserves and Surplus	48	263	747
Total Shareholders Funds	**90**	**304**	**792**
Total Debt	449	473	0
Long Term Provisions	1	2	3
Lease Liabilities	43	92	152
Other Long Term Liabilities	362	-	-
Total Liabilities	**945**	**871**	**947**

Cash Flow Statement (Rs cr)	FY24	FY25	FY26
Cash flow from Operating Activities	309	284	208
Cash flow from Investing Activities	(76)	(586)	243
Cash flow from Financing Activities	267	(173)	(328)
Free Cash Flow	242	218	(234)

RATIOS			
Particulars	**FY24**	**FY25**	**FY26**
Profitability			
Return on Assets	22.6%	12.2%	22.0%
Return on Capital Employed	59.5%	59.7%	50.1%
Return on Equity	278.0%	56.6%	32.3%
Margin Analysis			
Gross Margin	52.3%	63.4%	65.5%
EBITDA Margin	26.9%	30.9%	32.1%
Adj. Net Profit Margin	20.0%	13.7%	19.3%
Short-Term Liquidity			
Current Ratio (x)	5.1	1.7	3.5
Quick Ratio (x)	4.4	1.6	2.6
Avg. Days Sales Outstanding	35	40	54
Avg. Days Inventory Outstanding	33	32	50
Avg. Days Payables	36	39	50
Fixed asset turnover (x)	9.0	5.8	3.8
Debt-service coverage (x)	0.7	0.8	8.2
Long-Term Solvency			
Total Debt / Equity (x)	5.0	1.6	0.0
Interest Coverage Ratio (x)	15.7	4.2	8.3
Valuation Ratios*			
EV/EBITDA (x)	22.2	20.4	17.2
P/E (x)	30.3	43.8	29.5
P/B (x)	84.1	24.8	9.5
EV/Sales (x)	6.0	6.3	5.5
P/Sales (x)	6.0	6.0	5.7

***Valuation ratios are based on pre-issue capital at the upper price band**

Source: RHP, SBICAP Securities Research

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