

Injecto Polymers IPO

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- The company is engaged in the production of polypropylene woven fabrics, bags, BOPP Bags, etc. for packaging industries.
- IPL's products are used for application across a variety of industries and is supplied under B2B model.
- The company is operating in a highly competitive and fragmented segment.
- Based on its recent average financial data, the IPO is aggressively priced.
- Only well-informed/risk seekers may park moderate funds for medium term.

About the Company

Injecto Polymers Ltd. (IPL) is engaged in the production of Polypropylene Woven Fabrics (used as plastic material for making Polypropylene woven bags), Polypropylene Woven Bags (used for industrial and agricultural use), Biaxially Oriented Polypropylene (BoPP) bags (used for packing of food products, animal products, consumer goods, medical supplies and hygiene products), leno bags (used for packing fruits and vegetables), Low Density and Polyester Pouch (used in food, pharmaceutical, cosmetic and industrial packaging) along with Flexible Intermediate Bulk Container ("FIBC") bags (used in chemical, steel, fertilizer and mineral industries) and non-woven bags (used in medical, hygiene, agriculture packaging and reusable shopping bags).

Company's manufactured products are used for application across a variety of industries like, agriculture, construction, textiles, chemicals, and consumer goods. It primarily operates under a Business-to-Business (B2B) model, generating a major portion of revenue through bulk orders from institutional and industrial customers. Its products are customized in variety of shapes and sizes as per customer preferences and requirements. The raw materials which are used for manufacturing products include - polypropylene (PP) granules, Linear Low-Density Polyethylene (LLDPE), Low-Density Polyethylene (LDPE), High-Density Polyethylene (HDPE), Plastic resins and specialty polymers.

To ensure product quality and compliance with applicable laws, IPL conducts quality checks at multiple stages of the production cycle. An in-house testing facility supports these processes through regular performance and compliance testing. Its manufacturing units are certified with ISO 9001:2015 (Quality Management Systems) and ISO 22000:2018 (Food Safety Management Systems). Furthermore, the Company also holds a BIS (Bureau of Indian Standards) certification for food-grade packaging, which validates the suitability of packaging products for storage and transportation of food items.

The Company procures plastic granules and Polyvinyl Chloride (PVC) resins in bulk. A portion of such traded goods is also utilized for captive consumption, while the remaining portion is deployed towards trading activities. By procuring bulk quantities, the Company is able to avail bulk order discount from suppliers. As of July 31, 2026, it had 158 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 5612400 equity shares of Rs. 10 each to mobilize Rs. 56.12 cr. at the upper cap. The company has announced a price band of Rs. 98 – Rs. 100 per share. The minimum application to be made is for 2400 shares and in multiples of 1200 shares thereon, thereafter. The issue opens for subscription on September 11, 2026 and will close on September 16, 2026. The shares will be listed on BSE SME. The IPO constitute 27.00% of the post-IPO paid-up capital of the company. From the net proceeds of the fresh issue, the company will utilize Rs. 30.50 cr. for capex towards setting up of Phase IV at its Unit- I, Rs. 10.00 cr. for repayment/prepayment of certain borrowings, and the rest for general corporate purposes.

The IPO is solely lead managed by Indcap Advisors Pvt. Ltd., while Integrated Registry Management Services Pvt. Ltd. is the registrar to the issue. CapitalSquare Financial Services Pvt. Ltd., is a market maker, and also a syndicate member. This IPO is underwritten to the tune of 15% by Indcap Advisors, and up to 85% by CapitalSquare Financial Services.

After issuing initial equity capital at par value, the company issued further equity shares in the price range of Rs. 10.70 – Rs. 100.00 per share between December 2018, and March 2025. The average cost of acquisition of shares by the promoters is Rs. 10.70, Rs. 10.99, Rs. 11.32, Rs. 11.43, Rs. 12.12, and Rs. 31.39 per share.

Post-IPO, company's current paid-up equity capital of Rs. 15.18 cr. (15177200 equity shares) will stand enhanced to Rs. 20.79 cr. (20789600 equity shares). Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 207.90 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total income/ net profit, of Rs. 109.80 cr. / Rs. 4.44 cr. (FY24), Rs. 261.85 cr. / Rs. 8.11 cr. (FY25), Rs. 375.83 cr. / Rs. 16.01 cr. (FY26). The company posted growth in its top and bottom lines for the reported periods. Rising trade receivables year-on-year, raise alarms. Its contingent liability stood at Rs. 1.54 cr. as of March 31, 2026.

For the last three fiscals, the company has reported an average EPS of Rs. 7.87 (basic) and an average RoNW of 21.84%. The issue is priced at a P/BV of 2.40 based on its NAV of Rs. 41.73 per share as of March 31, 2026 , and at a P/BV of 1.74 based on its post-IPO NAV of Rs. 57.46 per share (at the upper cap).

If we attribute FY26 super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 12.99, and based on FY25 earnings, the P/E stands at 25.64. The issue appears aggressively priced based on its recent average earnings.

The company has posted PAT Margins of 4.07% (FY24), 3.10% (FY25), 4.26% (FY26) and RoCE margins of 10.68%, 13.91%, 15.64%, respectively for referred periods.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. It will adopt a prudent dividend policy, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Emmbi Ind., RDB Rasayan, as its listed peers. They are currently trading at a P/E of 18.7, and 8.03 (as of September 10, 2026). However, they are not truly comparable on an apple-to-apple basis. This comparison appears to be an eyewash.

Merchant Banker's Track Record

This is the 4th mandate from Indcap Advisors Advisors, in the last two fiscals (including the ongoing one). Out of the last 3 listings, 2 opened at discount, and the rest listed with a premium of 31.36% on the listing date. The merchant banker has an average track record.

Conclusion / Investment Strategy

IPL is engaged in the production of polypropylene woven fabrics, bags, BOPP Bags, etc. for packaging industries. IPL's products are used for application across a variety of industries and is supplied under B2B model. The company is operating in a highly competitive and fragmented segment. Based on its recent average financial data, the IPO is aggressively priced. Only well-informed/risk seekers may park moderate funds for medium term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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