IPO REVIEW

Roopa Screen IPO

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- The company is engaged in the manufacturing of rotary nickel screens used predominantly in screen printing machines.
- The company also trades in nickel cathodes, as a supporting aspect of its business.
- The company marked growth in its top and bottom lines for the reported periods.
- Based on its recent average financial data, the issue appears fully priced.
- Well-informed investors may park funds for long term.

About the Company

Roopa Screen Ltd. (RSL) is engaged in the manufacturing of rotary nickel screens, which are used in rotary screen-printing machines, primarily by the textile manufacturers for continuous printing on fabrics. Rotary nickel screens are cylindrical, perforated metal screens that act as stencils in rotary screen-printing machines, through which printing paste is applied to imprint patterns and designs on fabrics. These screens are manufactured in various mesh counts, thicknesses, and repeat sizes to suit varied printing requirements, ranging from fine detailing to background coverage, and represent a recurring consumable for textile manufacturers, as they are replaced periodically depending on usage and production intensity.

According to the CareEdge Report, Rotary nickel screens play a crucial role in the textile industry, particularly in textile printing, which is an integral part of fabric manufacturing. These screens are essential components in rotary screen-printing machines, enabling high-speed, high-precision printing of intricate patterns on fabrics. Their durability, uniform mesh structure, and resistance to wear and corrosion make them ideal for large-scale textile production. (Source: CareEdge Report)

In Fiscal 2026, it supplied rotary nickel screens to over 200+ customers across India. A significant portion of its revenues was generated from markets including Gujarat, Maharashtra, Haryana, Punjab and Tamil Nadu, while it had also recorded sales in other regions such as Uttar Pradesh, Rajasthan and Madhya Pradesh reflecting a diversified domestic presence. RSL’s customers are predominantly engaged in the textile industry, while a minor portion of sales are also made to entities in allied sectors such as chemicals, dyes and engineering. In addition to manufacturing of rotary nickel screens, it is also engaged in the trading of nickel cathodes, which are primarily used as a key raw material in the production process of nickel screens. Such trading activities are undertaken to support its manufacturing operations, ensure availability of critical raw materials and optimize procurement efficiencies.

During Fiscal 2026, 2025 and 2024, revenue from trading of nickel cathodes accounted for 16.88, 11.83% and 1.29%, respectively, of total revenue from operations. The trading activity is ancillary to its core manufacturing operations and does not constitute an independent line of business. RSL's product line consists of rotary nickel screens offered in multiple variants such as Standard, Delta, Penta and Nova, each developed to meet specific printing applications within the textile industry. The Standard variant is suitable for general-purpose printing applications, while Delta screens are designed for fine detailing and intricate designs. Penta screens are intended for heavy paste flow and background printing and Nova screens are tailored for high-usage environments requiring extended durability and fine mesh output.

These variants are available in a range of mesh sizes and technical specifications, allowing it to cater to diverse printing needs across fabric types, design complexities and production scales. The operational life of a rotary screen is dependent on factors such as usage intensity, printing volume, handling practices, maintenance standards, and operating and process conditions. As of August 31, 2026, it had 128 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 3000000 equity shares of Rs. 10 each to mobilize Rs. 19.20 cr. at the upper cap. The company has announced a price band of Rs. 60 – Rs. 64 per share. The minimum application to be made is for 4000 shares and in multiples of 2000 shares thereon, thereafter. The issue opens for subscription on September 24, 2026 and will close on September 28, 2026. The shares will be listed on BSE SME. The IPO constitute 27.11% of the post-IPO paid-up capital of the company. From the net proceeds of the issue, the company will utilize Rs. 6.00 cr. for working capital, Rs. 9.90 cr. for capex on setting up of a new manufacturing facility, and the rest for general corporate purposes.

The IPO is solely lead managed by Seren Capital Pvt. Ltd., while Bigshare Services Pvt. Ltd. is the registrar to the issue. B N Rathi Securities Ltd. is a market maker, and also a syndicate member.

After issuing/converting initial equity capital at par value, the company also issued further equity shares in the price range of Rs. 17.00 – Rs. 25 per share between August 2013, and July 2021. It has also issued bonus shares in the ratio of 6 for 1 in September 2025. The average cost of the acquisition of shares by the promoters is Rs. NIL, Rs. 2.70, and Rs. 2.71 per share.

Post-IPO, company's current paid-up equity capital of Rs. 8.07 cr. (8067500 equity shares) will stand enhanced to Rs. 11.07 cr. (11067500 equity shares). Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 70.83 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total income/ net profit, of Rs. 35.85 cr. / Rs. 1.50 cr. (FY24), Rs. 45.63 cr. / Rs. 4.69 cr. (FY25), Rs. 51.32 cr. / Rs.

6.48 cr. (FY26). The company posted growth in its top and bottom lines for the reported periods. The boosted profits for FY26 (Pre-IPO year) appears a window dressing to fetch fancy valuation for IPO. Rising trade receivables year-on-year, raise alarms. Its contingent liability stood at Rs. 3.78 cr. as of March 31, 2026.

For the last three fiscals, the company has reported an average EPS of Rs. 6.27 and an average RoNW of 40.41%. The issue is priced at a P/BV of 3.15 based on its NAV of Rs. 20.30 per share as of March 31, 2026 , but its post-IPO NAV data is missing from the offer documents.

If we attribute FY26 earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 10.92, and based on FY25 earnings, the P/E stands at 15.13. The issue appears fully priced based on its recent average earnings.

The company has posted PAT Margins of 4.21% (FY24), 10.33% (FY25), 12.78% (FY26) and RoCE margins of 22.76%, 42.21%, 39.33%, 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 Stovec Ind., as its listed peer. It is currently trading at a P/E 62.1 (as of September 23, 2026). However, they are not truly comparable on an apple-to-apple basis.

Merchant Banker's Track Record

This is the 10th mandate from Seren Capital, in the last two fiscals (including the ongoing one). Out of the last 9 listings, 1 opened at par, and the rest listed with a premium ranging from 16.41% to 48.73% on the listing date.

Conclusion / Investment Strategy

RSL is engaged in the manufacturing of rotary nickel screens used predominantly in screen printing machines. The company also trades in nickel cathodes, as a supporting aspect of its business. The company marked growth in its top and bottom lines for the reported periods. Based on its recent average financial data, the issue appears fully priced. It is operating in a highly competitive and fragmented segment. Well-informed investors may park funds for long 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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