IPO REVIEW

Shree TNB Polymers IPO

By **Dilip Davda** · SEBI Registered Research Analyst · Reg. No. INH000003127 Reviewed on 27 September 2026

- The company is engaged in polymer manufacturing, specializing in piping systems and solutions.
- It posted inconsistency in its top lines for the reported periods, but bottom line marked improvement.
- The company is operating in a highly competitive and fragmented segment.
- Based on its recent average financial data, the issue appears aggressively priced.
- There is no harm in skipping this pricey and dicey offer.
- In View Of The Likely Bank Strike From 28.09.26 To 30.09.26, The Ipos/Primary Offers That Are Falling Between These Three Days, Ipos Schedule Time Line May Change And The Revised Dates Will Get Effective For Opening And / Or Closing Schedules, As The Case May Be. Investors Are Requested To Make A Note Of This.

About the Company

Shree TNB Polymers Ltd. (STPL) is polymer manufacturing company specializing in piping systems and plastic solutions. The Company primarily offers product portfolio comprising HDPE pipes & fittings, PP (Polypropylene) and PPH (Polypropylene Homopolymer) pipes & fittings, Double Wall Corrugated (DWC) pipes, sprinkler pipes, drip irrigation systems, solid industrial sheets and Well pack sheets for packaging and industrial applications. With a strong focus on engineering excellence, durability, and application-specific performance, STPL delivers reliable and scalable solutions across infrastructure, agriculture and industrial sectors.

The Company’s products are designed to meet the evolving demands of critical applications such as irrigation and agriculture, potable water supply schemes, sewerage and drainage systems, telecom cable protection, construction, and industrial usage. Its HDPE piping systems are widely used in borewell and underground water extraction, as well as in specialized applications including seawater intake systems, desalination plants, and dredging operations- highlighting the company’s capability to operate in both conventional and high performance environments.

In addition to piping systems, it has established a strong presence in value-added polymer segments. Its well pack sheets are extensively used for signage, packaging, construction floor protection, industrial partitions and advertising boards, while solid industrial sheets are utilized in chemical tanks, scrubber linings, CNC (Computer Numerical Control) machining, industrial fabrication, and automotive components. The company’s DWC pipes are widely deployed in underground sewerage

networks, drainage systems, culverts, cable ducts, and highway infrastructure projects, positioning STPL as a comprehensive polymer solutions provider. As of July 31, 2026, it had 298 employees on its payroll, and additional 39contact workers.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 6000000 equity shares of Rs. 10 each to mobilize Rs. 31.20 cr. at the upper cap. The company has announced a price band of Rs. 47 – Rs. 52 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 28, 2026 and will close on October 05, 2026. The shares will be listed on BSE SME. The IPO constitute 28.11% of the post-IPO paid-up capital of the company. From the net proceeds of the issue, the company will utilize Rs. 15.86 cr. for capex on purchase of machinery, Rs. 2.60 for capex on installation of rooftop solar plant, Rs. 1.32 cr. capex on construction/installation of pre-engineered building structure for new manufacturing facility, Rs.5.62 cr. repayment of borrowings, and the rest for general corporate purposes.

The IPO is solely lead managed by Corporate Makers Capital Ltd., while MUFG Intime India Pvt. Ltd. is the registrar to the issue. Asnani Stock Brokers Pvt. Ltd. is a market maker. The IPO is underwritten to the tune of 15% by Corporate Makers Capital and 85% by Asnani Stock Brokers Pvt. Ltd.

After issuing/converting initial equity capital at par value, the company issued further equity shares in the price range of Rs. 25.00 – Rs. 67 per share between October 2007 and March 2025. It has also issued bonus shares in the ratio of 1 for 4 in September 2009, and 1 for 2 in February 2026. The average cost of the acquisition of shares by the promoters is Rs. 6.13, Rs. 11.75, Rs. 12.81, Rs. 15.10, Rs. 19.50, Rs. 20.66, Rs. 20.75, Rs. 21.69, Rs. 22.30, Rs. 22.41, and Rs. 25.16 per share.

Post-IPO, company’s current paid-up equity capital of Rs. 15.34 cr. (15344997 equity shares) will stand enhanced to Rs. 21.34 cr. (21344997 equity shares). Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 110.99 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total income/ net profit, of Rs. 207.96 cr. / Rs. 5.03 cr. (FY24), Rs. 175.70 cr. / Rs. 5.77 cr. (FY25), Rs. 198.31 cr. / Rs. 7.13 cr. (FY26). The company posted inconsistency 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. Though it posted lower top line, bottom line posted higher net than FY24. Rising trade receivables year-on-year, raise alarms. Its contingent liability stood at Rs. 0.10 cr. as of March 31, 2026.

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 15.57, and based on FY25 earnings, the P/E stands at 19.26. The issue appears

aggressively priced based on its recent average earnings. Bumper profits in pre-IPO Year (FY26), appears a window dressing to fetch fancy valuations for IPO.

The company has posted PAT Margins of 2.42% (FY24), 3.29% (FY25), 3.60% (FY26) and RoCE margins of 17.06%, 15.25%, 16.02%, respectively for referred periods.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. It has already adopted a dividend policy in September 2025, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Captain Pipes, Texmo Pipes, Malpani Pipes, as its listed peers. They are currently trading at a P/E of 19.8, 11.0, and 7.86 (as of September 25 2026). However, they are not truly comparable on an apple-to-apple basis.

Merchant Banker's Track Record

This is the 16th mandate from Corporate Makers Capital, in the last three fiscals (including the ongoing one). Out of the last 10 listings, 5 opened at discount, 3 at par, and the rest listed with a premium ranging from 4.35% to 53.38% on the listing date. The merchant banker has a poor track record.

Conclusion / Investment Strategy

STPL is engaged in polymer manufacturing, specializing in piping systems and solutions. It posted inconsistency in its top lines for the reported periods, but bottom line marked improvement for FY25. The company is operating in a highly competitive and fragmented segment. Based on its recent average financial data, the issue appears aggressively priced. Marchant Banker has a poor track-record. There is no harm in skipping this pricey and dicey offer.

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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