IPO REVIEW

Teamtech Formwork Solutions IPO

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- The company is engaged in the manufacturing, refurbishing and renting of modular T formwork for construction industry on a B2B model.
- The company posted surprising growth in its bottom lines for the reported periods.
- Bumper top and bottom lines for FY26 raise eyebrows and concern over sustaining such fancy margins going forward.
- Based on its recent overall financial data, the issue appears aggressively priced.
- Only well-informed/cash surplus/risk seeker investors may park moderate funds for medium term.

About the Company

Teamtech Formwork Solutions Ltd. (TFSL) operates on business-to-business (“B2B”) model and is engaged in the manufacturing, refurbishing and renting of modular T formwork and customized formwork system used in the construction industry. Formwork systems serve as temporary moulds that support and shape concrete which is poured into it until it attains the desired structural form (It provides support until the concrete gains enough strength to sustain its own weight and any imposed loads), making them an essential component of modern construction activities.

TFSL provides modular T formwork systems, including customized design, and technical support for projects. In addition to manufacturing new formwork systems, it also undertakes refurbishment and reconditioning of used formwork, activities enabling customers to extend product life. The Company also offers a rental model, allowing customers to access formwork solutions without capital expenditure.

Presently, the Company manufactures vertical modular T formwork systems which are only suitable for a wide range of vertical concrete structures. These systems are used for foundations, walls, shafts, tanks, bridges, circular walls and various other structural elements. With a balanced and versatile range of panels, its formwork can be easily adapted to diverse project layouts, configurations and cross-sections, supporting faster and more efficient construction execution to support the operational activity of the company, it has a work force consisted of 100 full-time employees. Further it also employs labour based on the requirements. The company operates an in-house manufacturing and assembly facility admeasuring 20,000 sq. ft., where the manufacturing and refurbishment of modular formwork systems are undertaken.

The Company undertakes the manufacturing of modular formwork systems through a structured, multi-stage process. Initially, 6 mm metal sheets are cut into small steel bars of predetermined dimensions, while plywood cutting is simultaneously carried out on a separate machine. The steel bars are then transferred to the welding section, where they are welded into the required frame configuration with precision, followed by joint testing to ensure structural integrity. The frames are buffed and moved into the spray painting.

Subsequently, the panels are moved to the assembly area, where workers fit the plywood onto the steel frame. After assembly, the panels undergo a silicon-filling process, wherein the gap between the plywood and the steel frame is sealed with silicon to eliminate air gaps and enhance structural strength and water penetration. The complete manufacturing cycle for a single panel typically takes approximately 30–40 minutes. Its 25+% revenue for FY26 came in from UAE and rest from domestic markets, wherein, Karnataka, Telangana, and Odisha continued between 11% to 17% and the rest by other states. Manufactured goods contributed to around 76% in its revenues for the said fiscal.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 7960000 equity shares of Rs. 5 each to mobilize Rs. 50.15 cr. at the upper cap. The company has announced a price band of Rs. 61 - Rs. 63 per share. The minimum application to be made is for 4000 shares and in multiples of 2000 shares thereon, thereafter. The IPO opens for subscription on May 19, 2026, and will close on May 21, 2026. The IPO constitute 26.55% of the post-IPO paid-up capital of the company. The shares will be listed on NSE SME Emerge. From the net proceeds of the IPO, it will utilize Rs. 13.77 cr. for working capital, Rs. 15.50 cr. for repayment/prepayment of certain borrowings, Rs. 11.92 cr. for capex on purchase of plant and machineries for new manufacturing plant, and the rest for general corporate purposes.

The IPO is solely lead managed by GetFive Advisors Pvt. Ltd., and KFin Technologies Ltd. is the registrar to the issue. SMC Global Securities Ltd., is the market maker as well as a syndicate member.

The company has issued/converted entire initial equity capital at par value. It has also issued bonus shares in the ratio of 33 for 10 in February 2026. The average cost of acquisition of shares by the promoters is Rs. 1.16 per share.

Post-IPO, company’s current paid-up equity capital of Rs. 11.01 cr. will stand enhanced to Rs. 14.99 cr. Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 188.85 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total income/ net profit, of Rs. 30.31 cr. / Rs. 7.69 cr. (FY24), Rs. 32.98 cr. / Rs. 7.84 cr. (FY25), Rs. 54.23 cr. / Rs.

11.59 cr. (FY26). After static top and bottom lines for FY24 and FY25, it marked bumper jump in top and bottom lines for FY26, that not only raise eyebrows but also concern over its sustainability. FY26 financial data appears to have been inflated to fetch fancy valuation for IPO.

For the last two fiscals, the company has reported an average EPS of Rs. 4.40, and an average RoNW of 38.82%. The issue is priced at a P/BV of 4.17 based on its NAV of Rs. 15.09 per share as of March 31, 2026, but its post-IPO NAV data is missing from the offer documents.

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 16.28, and based on FY25 earnings, the P/E stands at 24.14. The issue appears aggressively priced, based on its bumper earnings for FY26, which may not be sustained.

For the reported periods, the company has posted PAT margins of 25.39% (FY24), 23.96% (FY25), 21.60% (FY26), and RoCE margins of 57.42%, 37.48%, 40.92%, respectively, for referred periods.

Dividend Policy

The company has paid 10% dividend for FY24, and thereafter it skipped. It has already adopted a dividend policy in February 2026, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has no listed peers to compare with.

Merchant Banker's Track Record

This is the 4th mandate from GetFive Advisors in the last two fiscals (including the ongoing one). From the last 3 listings, 1 listed at discount, 1 at par, and the rest with premium of 14.43% on the date of listing. Thus, it has an average track record.

Conclusion / Investment Strategy

TFSL is engaged in the manufacturing, refurbishing and renting of modular T formwork for construction industry on a B2B model. The company posted surprising growth in its bottom lines for the reported periods. Bumper top and bottom lines for FY26 raise eyebrows and concern over sustaining such fancy margins going forward. Based on its recent overall financial data, the issue appears aggressively priced. Only well-informed/cash surplus/risk seeker investors 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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