

Tipco Engineering India IPO

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- The company is engaged in the manufacturing and supplying of comprehensive range of machinery such as bead mill of various types and other machineries.
- The company marked growth in its top and bottom lines for the reported periods.
- Boosted profits from FY24 onwards raise eyebrows and concern over its sustainability going forward.
- Based on its current financial data, the issue appears lucratively priced based on its low P/E reflecting bumper profits for recent years.
- Well-informed investors may park funds for medium to long term.

About the Company

Tipco Engineering Ltd. (TEL) is engaged in manufacturing and supplying a comprehensive range of machinery such as bead mill, batch type bead mill, lab bead mill, horizontal bead mill, vertical bead mill, Tungsten Carbide Pin-Type Bead Mill, Disc Type Horizontal Bead Mill, Dyno Mill, Lab Dyno Mill, Pug Mill, Attritor Mill, Lab Attritor Mill, Basket Mill, Combined Pin and Disc Type Bead Mill, Ceramic Bead Mill, Lab High-Speed Disperser, High-Speed Disperser, Twin-Shaft Disperser, Triple-Shaft Disperser, Vacuum High-Speed Disperser, Fixed Type Disperser, Platform Type Disperser, In-Line Homogenizer, In-Tank Homogenizers, High Shear In-Tank Homogenizer, Liquid Powder Mixing Machine, and Sigma Mixer.

It is serving industries such as Paint and Coatings, Chemical, Printing and packaging, Metal industry, construction and infrastructure. It offers machineries mainly across three different series (categories) i.e., Mill Series, Disperser Series and Homogenizers Series. As an average of the period ended December 31, 2025 and of the last three Fiscals i.e., 2025, 2024 and 2023, sale of products constitutes 92.27% of its revenue from operations.

Quality & Reliability is an Integral part of TEL's practice and culture that guides actions to deliver Products and Services that are safe. The company continuously strive to improve processes, ensuring that every product and service it provides adheres to quality standards. Its dedicated team emphasizes quality management, testing, and continuous feedback loops to guarantee that its solutions are safe, dependable, and compliant with international standards.

Its commitment to quality and reliability underpins every aspect of business, fostering partnerships built on trust and excellence. In addition to its manufacturing activities, the Company is engaged in trading of ancillary products aligned with its core manufacturing operations, including procurement

and supply of such items to clients. The company also offers comprehensive Services which includes Construction, Erection and Dismantling Work, Installation & Commissioning Charges etc... As of December 31, 2025, it had 96 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route combo IPO of 6803200 equity shares of Rs. 10 each to mobilize Rs. 60.55 cr. at the upper cap. The IPO consists of 5448000 fresh equity shares issue (worth Rs. 48.49 cr. at the upper cap) and an Offer for Sale (OFS) of 1355200 equity shares (worth Rs. 12.06 cr. at the upper cap). The company has announced a price band of Rs. 84 – Rs. 89. The IPO opens for subscription on March 23 2026, and will close on March 25, 2026. The minimum application to be made is for 3200 shares and in multiple of 1600 shares thereon, thereafter. Post allotment, shares will be listed on BSE SME. The issue constitutes 32.76% of post-IPO paid-up equity capital of the company. From the net proceeds of the fresh equity issue, the company will utilize Rs. 30.00 cr. for repayment/prepayment of certain borrowings, Rs. 7.66 cr. for working capital and the rest for general corporate purpose.

The IPO is solely lead managed by Smart Horizon Capital Advisors Pvt. Ltd., and Maashitla Securities Pvt. Ltd. is the registrar to the issue. Shreni Shares Ltd. is the market maker as well as a syndicate member.

After issuing initial equity shares at par value, it issued further equity capital in the price range of Rs. 2600.00– Rs. 37349.00 per share between February 2024 and January 2025. The company has also issued bonus equity shares in the ratio of 893 for 1 in September 2025. The average cost of acquisition of shares by the promoters/selling stakeholders is Rs. NIL, and Rs. 2.16 per share.

Post-IPO, company's current paid-up equity capital of Rs. 15.32 cr. will stand enhanced to Rs. 20.77 cr. Based on the upper price band of the IPO, the company is looking for a market cap of Rs. 184.83 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted a total income/net profit, of Rs. 35.98 cr. / Rs. 2.56 cr. (FY23), Rs. 101.36 cr. / Rs. 8.45 cr. (FY24), Rs. 133.37 cr. / Rs. 15.61 cr. (FY25). For 9M - FY26 ended on December 31, 2025, it earned a net profit of Rs. 13.19 cr. on a total income of Rs. 86.25 cr.

For the last three fiscals, the company has reported an average EPS of Rs. 8.79, and an average RoNW of 62.61%. The issue is priced at a P/BV of 2.94 based on its NAV of Rs. 30.30 as of December 31, 2025, but post-IPO NAV data is missing from the offer documents.

If we attribute its FY26 annualized super earnings on post-IPO expanded equity base, then the asking price is at a P/E of 10.51, and based on its FY25 earnings, the P/E stands at 11.84. Thus, the issue appears lucratively priced on P/E basis following bumper profits reported. Thanks to bumper profits

from FY25 onwards, which has been mirrored in its P/E.

The company has posted PAT margins of 7.12% (FY23), 8.34% (FY24), 11.72% (FY25), 15.35% (9M-FY26), and RoCE Margins of 30.83 %, 30.74%, 33.27%, 24.76%, respectively, for the 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 no listed peers to compare with.

MERCHANT BANKER'S TRACK RECORDS:

This is the 23rd mandate from Smart Horizon in the last three fiscals. From the last 10 listings, 3 opened at discount, 1 at par, and the rest with premium ranging from 2.14% to 6.36% on the date of listing. The merchant banker has a poor track record so far.

Conclusion / Investment Strategy

TEL is engaged in the manufacturing and supplying of comprehensive range of machinery such as bead mill of various types and other machinery. The company marked growth in its top and bottom lines for the reported periods. Boosted profits from FY24 onwards raise eyebrows and concern over its sustainability going forward. Based on its current financial data, the issue appears lucratively priced based on its low P/E reflecting bumper profits for recent years. Well-informed investors may park funds for medium to 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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