IPO REVIEW

TNA Solutions IPO

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- The company is engaged in the manufacturing and selling home textile products.
- The company marked growth in its top and bottom lines for the reported periods.
- It is operating in a highly competitive and fragmented segment.
- Based on its recent average financial data, the issue appears fully priced.
- Well-informed investors may park moderate funds for medium to long term.

About the Company

TNA Solutions Ltd. (TSL) is engaged in the manufacturing of home textile products for domestic and international customers. The company manufacture a range of value-added home furnishing products including sheet sets, pillow shells/covers, towels, and top of bed products (comforters, mattress protectors, quilts) using greige fabric procured from weavers and finished fabric which it procures from mills, processing houses and stockists. Its manufacturing facility is located in Indore, Madhya Pradesh, where the procured fabric undergoes cutting, stitching, embroidery, finishing, quality assurance, packaging and dispatch as finished products.

TSL operates in the value-added segment of the home textile industry by converting processed fabrics into finished home furnishing products in accordance with customer specifications. Its manufacturing capabilities, quality control systems and product development experience enable it to cater to the requirements of domestic and international customers.

The company primarily manufactures products for global retailers, importers and domestic brands under B2B manufacturing model, where products are marketed and sold under its customers' brands or in their specified label. The company believes that its focused manufacturing model enables it to concentrate on product quality, manufacturing efficiency, timely delivery and customer service while leveraging the capabilities of processing partners for fabric processing.

TSL procures greige (unprocessed) fabric from weavers and engage third party textile processing houses to undertake weaving, dyeing, printing and other wet-processing activities, while retaining ownership of the fabric throughout the process. It also procures finished/processed fabric from mills, processing houses and stockists directly. After receiving the processed/finished fabric at its facility, the company carries out cutting, stitching, embroidery, finishing, quality control, packaging and dispatch. This focused positioning allows it to concentrate capital and management attention on manufacturing, quality systems and customer relationships.

The substantial majority of its business is presently conducted on a B2B basis, wherein it manufactures products in accordance with customer specifications, which are marketed and sold under their respective brands. TSL also derives revenue from business-to-consumer (“B2C”) channels, both online (through e-commerce marketplaces) and offline through wholesalers and retailers.

TSL has also launched its own brand, “Ambra Linens” in 2022, under which it sells home furnishing products directly to consumers. Under the "Ambra Linens" brand, the company markets and sells a range of home furnishing products directly to consumers through B2C channels. It sells online through ecommerce marketplaces and offline through retailers and wholesalers. It has also launched its own website ambralinens.in/ in July, 2026, wherein its customers can place direct orders with it. As of July 31, 2026, it had 193 employees on its payroll, and additional 66 contract labours.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 5408000 equity shares of Rs. 10 each to mobilize Rs. 37.86 cr. at the upper cap. The company has announced a price band of Rs. 66 – Rs. 70 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 30, 2026 and will close on or before October 06, 2026. The shares will be listed on BSE SME. The IPO constitute 26.50% of the post-IPO paid-up capital of the company. From the net proceeds of the issue, the company will utilize Rs. 20.00 cr. for working capital, Rs. 6.76 cr. for capex on civil construction new manufacturing unit and purchase of plant and machinery, and the rest for general corporate purposes.

The IPO is solely lead managed by Credora Partners Pvt. Ltd., while Maashitla Securities Pvt. Ltd. is the registrar to the issue. Pace Stock Broking Services Pvt. Ltd., is a market maker. Corporate Capital Ventures Pvt. Ltd., and Credora Partners Pvt. Ltd. have underwritten the IPO for 50% each.

After issuing initial equity capital at par value, the company issued further equity shares in the price range of Rs. 160.00 – Rs. 233.33, per share between July 2024, and August 2025. It has also issued bonus shares in the ratio of 4 for 1 in July 2026. The average cost of the acquisition of shares by the promoters is Rs. 2.00 per share.

Post-IPO, company’s current paid-up equity capital of Rs. 15.00 cr. (15000000 equity shares) will stand enhanced to Rs. 20.41 cr. (20408000 equity shares). Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 142.86 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total income/ net profit, of Rs. 36.32 cr. / Rs. 2.69 cr. (FY24), Rs. 84.13 cr. / Rs. 6.66 cr. (FY25), Rs. 110.45 cr. / Rs. 9.58 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. It stood at Rs. 36.54 cr. as of March 31, 2026.

For the last three fiscals, the company has reported an average EPS of Rs. 4.78 and an average RoNW of 46.31%. The issue is priced at a P/BV of 0.58 based on its NAV of Rs. 119.80 per share as of March 31, 2026 , and at a P/BV of 1.94 based on its post-IPO NAV of Rs. 36.16 per share (at the upper cap).

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 14.89, and based on FY25 earnings, the P/E stands at 21.47. The issue appears fully priced based on its recent average earnings.

The company has posted PAT Margins of 7.50% (FY24), 8.17% (FY25), 9.16% (FY26) and RoCE margins of 89.40%, 51.65%, 42.84%, respectively for referred periods.

Dividend Policy

The company has not paid any dividends for any financial year. 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 VTM Ltd., Faze Three, as its listed peers. They are currently trading at a P/E of 36.5, and 34.0 (as of September 29, 2026). However, they are not truly comparable on an apple-to-apple basis. This comparison appears as an eye-wash.

Merchant Banker's Track Record

This is the 1st mandate from Credora Partners in the ongoing fiscal. The merchant banker has no track record so far.

Conclusion / Investment Strategy

TSL is engaged in the manufacturing and selling home textile products. Its major revenue comes from B2B model (about 98%) and the rest from B2C. The company marked growth in its top and bottom lines for the reported periods. It is operating in a highly competitive and fragmented segment. Based on its recent average financial data, the issue appears fully priced. Well-informed investors may park moderate 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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