

# SCOOP

INVESTMENT



**Tipco Engineering India Limited**

**IPO Note**

## About

Tipco Engineering India Limited is an integrated engineering and manufacturing company engaged in the design, fabrication, assembly, and supply of industrial process machinery. The company offers equipment across three core product series-Mill, Disperser, and Homogeniser serving industries such as paints and coatings, chemicals, printing inks, cosmetics, pharmaceuticals, food, and specialty materials. Operating from its manufacturing facility in Sonipat, Haryana, Tipco follows an end-to-end in-house execution model covering product design, precision machining, fabrication, assembly, quality testing, and dispatch, which enables consistent quality, customization, and timely delivery. Incorporated in 2021, the company has built a diversified domestic client base across 26 states and union territories and serves more than 10 end-use industries. With over 180 projects executed between FY23 and FY25 and an order book of approximately INR 76.41 crore, Tipco continues to expand its presence while leveraging its scalable manufacturing setup and experienced promoter-led management team.

## Investment Rationale

**Exposure to High-Growth Process Industries:** Tipco supplies process equipment to sectors such as paints & coatings, chemicals, pharmaceuticals, food, and construction chemicals industries benefiting from India's manufacturing expansion and rising capex cycle.

**Integrated In-House Manufacturing Model:** The company follows an end-to-end manufacturing approach under one roof, covering design, machining, fabrication, assembly, and testing, enabling better quality control, customization, and operational efficiency.

**Diversified Product Portfolio:** A comprehensive range across mills, dispersers, homogenizers, and mixers allows the company to drive repeat orders, cross-sell solutions, and increase wallet share with existing customers.

**Sticky Customer Relationships and Order Visibility:** Long-standing relationships with customers and a healthy order book provide stability and improve medium-term revenue visibility.

**Scalable Growth with Export Opportunities:** Existing export presence and growing global demand for automation and process-efficiency equipment provide headroom for international expansion and long-term growth.

### Issue Details

Fresh issue of 54,48,000 equity shares and OFS of 13,55,200 equity shares aggregating up to ₹60.54 Cr

### Issue Summary

Issue Size	₹60.54 Cr
Face Value	₹10
Price band (per equity share)	₹84 - ₹89
Market Lot	1,600 Equity Shares
No. of Shares pre-issue	1,53,19,584
No. of Shares post-issue	2,07,67,584
Listing	BSE SME

### Indicative Timetable

Anchor Bidding Opens	20 March, 2026
Issue Opens on	23 March, 2026
Issue Closes on	25 March, 2026
Listing Commences on	1st April, 2026

### Issue Breakup

Category	Equity Shares
Market Maker (up to)	10,20,800 shares
Retail (not less than)	20,32,000 shares
NII (not less than)	8,73,600 shares
QIB (Including Anchor)	28,76,800 shares
<b>Total Issue Size</b>	<b>68,03,200 shares</b>

### Objects of the Issue

Repayment/prepayment of all or certain of our borrowings availed of by our Company upto ₹30.00 Cr

Funding Working Capital Requirement upto ₹7.66 Cr

General Corporate Purposes [●]

**Total Gross Proceeds - [●]**

### Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	87.19%	57.79%
Public & Others	12.81%	42.21%

### Book Running Lead Managers

Smart Horizon Capital Advisors Private Limited

### Registrar

Maashitla Securities Private Limited

## Exhibit 1: Product Portfolio



Source: Company RHP

## Key Risks

**Customer Concentration Risk** - A significant portion of the company's revenue is derived from a limited number of customers. The top five customers contributed around 59.47% of revenue in FY25, while the top ten customers accounted for approximately 75.80%. Such high customer concentration may expose the company to revenue volatility if any key customer reduces orders, delays projects, or discontinues its relationship with the company.

## Exhibit 2: Customer Concentration Risk

Customer Category	Dec 31, 2025 (%)	FY25 (%)	FY24 (%)	FY23 (%)
Top One Customer	22.79%	25.55%	39.81%	23.23%
Top Five Customers	59.47%	68.30%	67.58%	52.59%
Top Ten Customers	75.80%	78.83%	76.94%	60.97%

Source: Company RHP

**Supplier Concentration Risk** - The company has moderate supplier concentration, with the top five and top ten suppliers accounting for 57.31% and 71.61% of purchases as of Dec 31, 2025. Any disruption or pricing pressure from key suppliers could impact procurement and operations.

## Exhibit 3: Supplier Concentration Risk

Supplier Category	Dec 31, 2025 (%)	FY25 (%)	FY24 (%)	FY23 (%)
Top One Supplier	23.21%	11.45%	14.81%	20.95%
Top Five Suppliers	57.31%	39.00%	39.60%	47.57%
Top Ten Suppliers	71.61%	59.93%	56.66%	67.83%

Source: Company RHP

**Capacity Utilisation Risk** - The company operates at a relatively high utilisation level of around 82-83%, which indicates efficient capacity usage but may limit near-term flexibility to accommodate a sharp rise in demand without additional capacity expansion.

#### Exhibit 4: Capacity Utilisation Risk

Particulars	Dec'25	FY25	FY24	FY23
Installed Capacity (Nos)	631	520	447	363
Utilisation (%)	82.56%	82.69%	82.77%	82.64%

Source: Company RHP

**Geographic Concentration Risk** - The company derives a major portion of its revenue from the domestic market, with over 90% contribution in Dec 2025 and over 96% in FY25-FY23. Any slowdown in domestic demand or adverse developments in key operating regions could impact revenue growth and business performance.

#### Exhibit 5: Geography-wise Revenue Bifurcation

Segment	Dec 31, 2025	FY25	FY24	FY23
Domestic	90.44%	96.95%	97.38%	96.81%
Exports	9.56%	3.05%	2.62%	3.19%

Source: Company RHP

**Industry Concentration Risk** - A significant portion of the company's revenue is derived from a few key industries, particularly Paint & Coating and Construction & Infrastructure, which together accounted for a major share of revenue across the periods. Any slowdown in these sectors or reduced capital spending by customers in these industries could adversely impact the company's order inflows and revenue growth.

#### Exhibit 6: Revenue Contribution by Industry Segment

Industry Segment	Dec 31, 2025	FY25	FY24	FY23
Paint & Coating	58.12%	62.18%	87.95%	63.68%
Chemical	21.65%	4.34%	3.87%	14.69%
Printing & Packaging	3.66%	4.45%	4.68%	13.90%
Metal	1.88%	7.38%	0.24%	3.56%
Constructions & Infrastructure	12.50%	19.23%	0.28%	3.09%
Others	2.19%	2.43%	2.97%	1.08%

Source: Company RHP

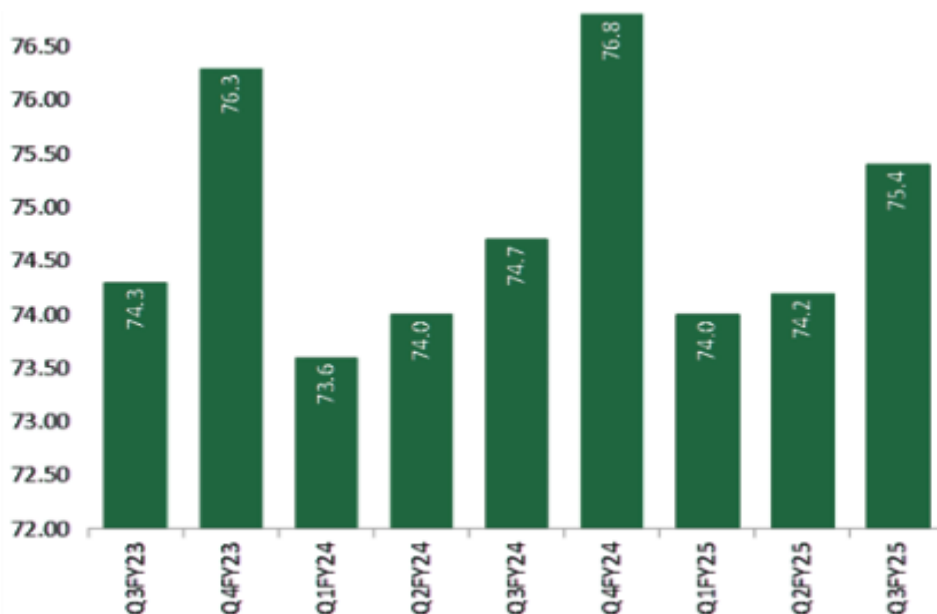
## Industry Outlook

India's manufacturing sector is witnessing strong structural growth, supported by government initiatives such as Make in India and Production Linked Incentive schemes, which aim to strengthen domestic manufacturing capabilities. The Process Plant & Machinery market is estimated at around USD 6 billion annually, while the machine tools market in India is expected to reach nearly USD 2.5 billion by 2028, reflecting increasing investment in industrial automation and equipment.

Recent data also indicates improving capacity utilisation in India's manufacturing sector, which increased from around 74% in Q4 FY23 to nearly 76-77% in FY24, reflecting strengthening industrial demand and higher utilisation of existing manufacturing capacities. Rising industrial capex across sectors such as paints & coatings, specialty chemicals, pharmaceuticals, and food processing is further driving demand for advanced mixing, dispersion and homogenization equipment. Additionally, the construction equipment market is projected to grow from ₹69,046 crore in 2025 to around ₹1.03 lakh crore by 2030, indicating sustained infrastructure and industrial expansion.

Several end-user industries served by Tipco are also expanding rapidly. The paints and coatings industry is valued at over USD 10 billion, growing at approximately 7-8% CAGR, while the specialty chemicals market exceeds USD 40 billion. India's pharmaceutical exports have crossed USD 27 billion, and the food processing industry represents a market opportunity of over USD 500 billion. As industries increasingly focus on process automation, efficiency improvement and quality consistency, demand for high-precision process equipment such as mills, dispersers and homogenizers is expected to remain strong, creating favorable long-term opportunities for companies operating in this segment.

### Exhibit 5 : Capacity Utilisation in Manufacturing Sector (in %)



Source: Company RHP

## Exhibit 6 : Profit & loss statement

INR LAKHS	Dec 31, 2025	FY25	FY24	FY23
Revenue from Operations	8,590.35	13,313.78	10,122.60	3,597.41
EBITDA	2,089.37	2,384.67	1,214.47	347.34
EBITDA Margin (%)	24.32%	17.91%	12.00%	9.66%
PAT	1,318.70	1,561.04	844.52	256.12
PAT Margin (%)	15.35%	11.72%	8.34%	7.12%
ROE (%)	33.12%	68.26%	112.00%	199.01%
ROCE (%)	24.76%	33.27%	30.74%	30.83%
Debt-Equity Ratio	0.81	1.12	2.05	3.28
Net Fixed Asset Turnover (times)	6.48	4.16	41.21	73.66
Current Ratio (times)	1.49	1.31	1.27	1.24
Domestic Market (%)	90.44%	96.95%	97.38%	96.81%
Export Market (%)	9.56%	3.05%	2.62%	3.19%

Source: Company RHP

## Management

### Exhibit 7 : Key Personnel

Name	Designation	Education & Qualifications	Professional Experience
Mr. Ritesh Sharma	Chairman & Managing Director	Diploma in Mechanical Engineering	18+ years in machine manufacturing; leads production, product development, sales, and strategy.
Ms. Sonia Sharma	Whole-Time Director	BBA	7+ years in manufacturing operations; oversees production, HR, and operations.
Mr. Anup Kumar Singh	Non-Executive Director	B.Tech (E&C); PGDM	12+ years of work experience in Engineering field, sales, business expansion, and operations in industrial equipment.
Mr. Jeewan Chandra	Non-Executive Independent Director	B.Com, M.Com; FCA	20+ years in accounting, auditing, and taxation.
Mr. Patterson Thomas	Non-Executive Independent Director	Company Secretary (ICSI)	7+ years in corporate secretarial and compliance.

Source: Company RHP

## Recommendations

Tipco Engineering India Limited operates in the industrial process equipment segment, supplying mills, dispersers, homogenizers, and related machinery to sectors such as paints, chemicals, pharmaceuticals, and food processing. The company is likely to benefit from India's manufacturing growth and rising capex in process industries, supported by its integrated in-house manufacturing model, diversified product portfolio, and growing order book. With expanding capacity, improving financial performance, and experienced promoter-led management, the issue may be considered by long-term investors seeking exposure to India's industrial manufacturing growth.

## Valuation View

At the IPO price band of ₹84-₹89 per share, Tipco Engineering appears reasonably valued given its strong financial improvement and better profitability. Revenue rose sharply from ₹3,597 lakh in FY23 to ₹13,314 lakh in FY25, while EBITDA margin improved to 17.9% and PAT margin to 11.7%, reflecting operating leverage and better cost efficiency. The company also reported strong return ratios, with ROE of 68.3% and ROCE of 33.3% in FY25, alongside an improving balance sheet as debt-equity declined to 1.12 from 2.05 in FY24. Backed by a scalable manufacturing setup, rising demand from key user industries, and a growing order pipeline, the company seems well placed for steady long-term growth.

## Disclaimer

Details of terms used

Investment Rating	Definition
Buy	Expected absolute returns of more than 20% over specified time period
Hold	Expected absolute returns between 20% and -15% over specified time period
Sell	Expected absolute returns of less than -15% over a specified time period
Entry Price	Price at which stock was recommended
Target Price	Expected price of stock at end of specified time period
Potential Upside	Expected absolute returns from entry price over a specified time period
Upside Left	Expected absolute returns from current price to Target price

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