Shree TNB Polymer Limited

October 29, 2026

Rating Action

Total Bank Loan Facilities Rated	**Rs. 52.60 Crore (reduced from Rs. 64.39 crore)**	**Regulator^**
Long Term Rating	**IVR BBB-/Stable (Rating Reaffirmed)**	**RBI**
Short Term Rating	**IVR A3 (Rating Reaffirmed)**	**RBI**
^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.		

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: *None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.*

Rationale

Infomerics Ratings has reaffirmed its ratings to IVR BBB-/Stable to the long-term bank facilities and IVR A3 to the short-term bank facilities of Shree TNB Polymer Limited (STPL).

The rating derives strength from the company's steady increase in scale of operations coupled with improved profitability margins, comfortable capital structure, diversified product portfolio supporting strong customer relationships with reputed clientele base, and experienced promoters with long-standing operational track record. The ratings are, however, partially offset by project execution risk, working capital intensive nature of operations, exposure to competitive intensity susceptibility of volatility towards price of raw materials.

Outlook: Stable

The 'Stable' outlook reflects ability of the company to further improvise on scale of operations along with sustained overall financial risk profile.

Analytical Approach

Approach	**Comments**
Consolidation/ Standalone	Standalone
Parent/ Group Support	Not Applicable

Key Rating Drivers with Detailed Description

Strengths

- **Steady increase in scale of operations coupled with improved profitability margins**

  The company's total operating income improved by approximately 13% to Rs. 198.13 crore in FY26 from Rs. 175.65 crore in FY25 owing to increase in sales volume. As confirmed by the management, the company has reported revenues of Rs. 119.30 crore till October 23, 2026, representing around 48% of the projected revenue for FY27. EBITDA increased to Rs. 19.87 crore in FY26 from Rs. 15.87 crore in FY25, primarily driven by achieving economies of scale in overall production cost. PAT has also improved to Rs. 7.12 crore in FY26 from Rs. 5.77 crore in FY25, supported by moderation in depreciation and finance costs owing to timely servicing of term liabilities. Consequently, the company's profitability indicators strengthened, with the EBITDA margin improving to 10.03% in FY26 from 9.04% in FY25, while the PAT margin increased to 3.59% from 3.28% during the same period.

- **Comfortable capital structure**

  The company's capital structure remained comfortable, supported by an improvement in adjusted tangible net worth (ATNW) to Rs. 48.93 crore as on March 31, 2026, from Rs. 44.03 crore as on March 31, 2025, after adjusting for long-pending debtors (FY26: Rs. 5.61 crore; FY25: Rs. 3.38 crore). The increase in ATNW was primarily driven by accretion of profits to reserves. Consequently, the long-term debt-to-equity ratio has improved to 0.26x as on March 31, 2026, from 0.30x as on March 31, 2025. Overall gearing remained comfortable below unity at 0.91x as on March 31, 2026, as against 0.87x a year earlier, albeit impacted by higher working capital utilisation. Further, TOL/ATNW has moderated to 1.83x as on March 31, 2026, from 1.79x as on March 31, 2025, owing to an increase in current liabilities and adjustment of long pending receivables of Rs. 5.61 crore and Rs. 3.38 crore in FY26 and FY25 respectively in the net worth. Recently, the IPO of the company has been launched and listed on recognised stock exchange. With this, the company has been able to raise Rs. ~31 crore which is going to be partially utilised debt repayment thereby will further aid in improving its capital structure and debt protection metrics.

- **Diversified Product Portfolio with reputed clientele base supporting strong customer relationships**

  STPL's diversified polymer product portfolio mainly comprises of pipes and fittings, polymer sheets, DWC pipes, and irrigation systems catering to industrial, infrastructure, agricultural, and water management applications. Diversed product profile has enabled it to establish and maintain long-standing relationships with a reputed and diversified clientele, including several leading corporate groups across industries including Tata Projects, Reliance Industries L&T etc., reflecting the company's focus on product quality, reliability, and customer satisfaction.

- **Experienced promoters with long-standing operational track record**

  STPL is promoted by experienced entrepreneurs from Saurashtra region of Gujarat, with over 25 years of presence in the polymer industry. Under their leadership, the company has steadily expanded its operations, leveraging strong technical expertise and strategic vision. The promoters' proven track record has helped STPL adapt to changing market dynamics while building a reputation for quality, reliability, and enduring customer relationships.

Weaknesses

- **Project execution risk**

  The company has plans to expand the existing production capacity in the form of purchase of machinery, purchase & installation of solar panel/roof top, and construction/installation of PEB structure. The estimated cost of the proposed capex is Rs. 22.31 crore, which is funded through recent IPO proceeds received. Although, the project is progressing towards completion at a decent pace and management expects its completion and commission before closure of FY27, the capital work in progress is susceptible to timely completion and without cost overruns and remains key monitorable.

- **Moderate operating cycle**

  The company's operating cycle has remained elongated being working capital intensive nature of operations. The operating cycle has stood at 86 days in FY26 as compared to 81 days in FY25, primarily on account of an increase in both the average receivables cycle and inventory holding. The average receivables cycle increased to 86 days in FY26 from 81 days in FY25, mainly due to delays in the realization of receivables under micro-irrigation schemes from farmers, wherein payments are typically linked to the receipt of government subsidies although these receivables are recoverable in nature. Further, the

average inventory holding period increased to 70 days in FY26 from 68 days in FY25, reflecting higher inventory levels maintained to cater to demand from the water supply, agriculture, and infrastructure segments.

- **Exposure to Competitive Intensity and Raw Material Price Volatility**

  The company operates in a highly competitive and fragmented polymer processing industry, with the presence of several organized and unorganized players limiting pricing flexibility, particularly in commoditized product segments such as pipes and sheets. Consequently, its profitability remains susceptible to fluctuations in key raw material prices, especially PP and LDPE, which are linked to crude oil prices, as the ability to fully pass on increases in input costs to customers may remain constrained in a competitive market environment, thereby exerting pressure on operating margins.

Liquidity – Adequate

The liquidity position of the company remained adequate marked by sufficient anticipated cash flows from operations against the debt repayment obligations in the range of Rs. 2.50 – 3.50 crore for the next three fiscal years (FY27 – FY29). Further, the current ratio remains moderate at 1.22x as of March'2026. The cash and bank balance stood at Rs. 0.23 crore as on September 30, 2026. However, the average working capital utilization stood high at above 90% across all months along with buffer working capital limits of Rs. 3 crore that can be utilised during exigency.

Rating Sensitivities

Upward Factors

- Significant growth in scale of operations along with sustained operating margins.
- Sustained improvement in the capital structure leading to improved debt protection metrics and coverage indicators.
- Improved operating cycle through effective working capital management enhancing overall liquidity position of the company.

Downward Factors

- Moderation in operating income and/or profitability indicators impacting overall financial risk profile.
- Deterioration in capital structure and/or debt protection metrics and coverage indicators.
- Elongation in operating cycle leading to a stretched liquidity position.

- Delay in execution of ongoing capex leading to deterioration in financial risk of the company.

About the Company

Shree TNB Polymers Limited is a leading manufacturer in the polymer processing industry with over three decades of experience. The company traces its roots back to 1994 with the establishment of its first partnership firm, "Noble Polymers," followed by "Tirupati Plastic Industries" in 2000 and "Balaji Polymers" in 2004. These units were consolidated under a single corporate entity, Shree TNB Polymers Limited, incorporated in 2007 to streamline operations and expand its industrial footprint.

Shree TNB Polymers is engaged in the manufacturing and supply of a diverse range of polymer products including HDPE, PP, and PPH pipes and fittings, solid polymer sheets, PP flute boards, and double wall corrugated (DWC) pipes. The company has successfully listed its SME IPO on BSE as on October 08, 2026.

Key Financial Indicators (Standalone):

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	175.65	198.13
EBITDA	15.87	19.87
PAT	5.77	7.12
Total Debt	38.50	44.56
Tangible Net Worth (TNW)^	44.03	48.93
EBITDA Margin (%)	9.04	10.03
PAT Margin (%)	3.28	3.59
Overall Gearing (times)^	0.87	0.91
Interest Coverage (times)	2.68	3.29

**Classification as per Infomerics' standards; Amount in Rs. Crore*
^Adjusted

Applicable Criteria

Rating Methodology for Manufacturing Companies

Financial Ratios & Interpretation (Non-Financial Sector)

Criteria for assigning Rating outlook

Policy on Default Recognition

Complexity Level of Rated Instruments/Facilities

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Nil

Rating History for last three years

Sr. No.	Instruments/ Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in in 2023-24
					August 01, 2025	-	-
1.	Fund based facilities	LT/ST	46.20	IVR BBB-/Stable/IVR A3	IVR BBB-/Stable/IVR A3	-	-
2.	Non-Fund based facilities	ST	6.40	IVR A3	IVR A3	-	-

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)*	Rating Assigned/ Outlook	Listing Status	Regulator^	Complexity Indicator
Term Loan II	-	-	-	December 2031	0.94	IVR BBB-/Stable	NA	RBI	Simple
Term Loan III	-	-	-	September 2030	1.65	IVR BBB-/Stable	NA	RBI	Simple
Term Loan IV	-	-	-	December 2033	3.58	IVR BBB-/Stable	NA	RBI	Simple
WCTL (GECL)	-	-	-	August 2026	0.53**	IVR BBB-/Stable	NA	RBI	Simple
Term Loan V	-	-	-	October 2030	5.50	IVR BBB-/Stable	NA	RBI	Simple
Cash Credit	-	-	-	-	31.00	IVR BBB-/Stable	NA	RBI	Simple
Gold Card Limit	-	-	-	-	3.00	IVR A3	NA	RBI	Simple
Bank Guarantee	-	-	-	-	1.40	IVR A3	NA	RBI	Simple
Letter of Credit	-	-	-	-	5.00	IVR A3	NA	RBI	Simple

*The size of the facility is as per sanction letter dated June 08, 2026.

**The maturity of WCTL has been mentioned as August 2026, however, the management has not shared No Due Certificate for the same in order to withdraw the ratings of this instrument.

^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/len_tnb_oct26_cd58ffa975.pdf

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for Consolidated/Combined analysis: Not Applicable

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* $	RBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11a	Fixed Deposits raised by NBFCs, HFCs, FIs	RBI
11b	Fixed Deposits raised by Banks	+
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts $	RBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	+
22	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
23	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side

		regulator such as IRDAI, PFRDA @

Footnotes:

**Includes securitisation transactions involving assignee payout, acquirer's payout.*

~The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Infomerics Valuation and Rating Limited shall separately capture the rated quantum details along with names of respective regulators.

^Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

#There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

$By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

+To be finalized following a discussion with the regulatory authorities.

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