



## IPO Note

# Sambhv Steel Tubes Limited

Recommendation: **APPLY!**

### Company Background -

- **Incorporation:** The company was originally incorporated as “Sambhv Sponge Power Private Limited” on Apr 24, 2017. The registered office is located at Chhattisgarh, India.
- **Business Activity:** The company is engaged in the manufacturing of electric resistance welded (ERW) steel pipes and structural tubes (hollow section).
- **Revenue Stream:** The company generates majority of its revenue from production of Blooms/ Slab and ERW black pipes and tubes (hollow section).
- **Human Resource:** The company had 1,774 permanent employees as of Mar 31, 2025.

### Objects of the Issue -

- Pre-payment or scheduled re-payment of a portion of certain outstanding borrowings availed by the Company
- General corporate purposes

### Promoters Name -

Brijlal Goyal, Suresh Kumar Goyal, Vikas Kumar Goyal, Sheetal Goyal, Shashank Goyal and Rohit Goyal

### Rationale for recommendation -

Sambhv Steel Tubes Limited, established in 2017, has decent industry experience and the IPO is priced high at a post-issue P/E of 44.62. While the management team is experienced, they lack of relevant technical education. The company’s significant greenfield and brownfield expansions led to dip in EBITDA and net profit in FY23, with decreasing profitability margins and return ratios despite consistent top-line growth. The company’s geographic concentration and exposure to raw material price fluctuations add business risk. However, its backward-integrated manufacturing setup and recent product diversification into premium products like Stainless Steel and Pre-Galvanised pipes enhance its value proposition. Given the company’s strategic expansions and position in a fragmented industry, we recommend **APPLYING to this IPO for long-term potential.**

### IPO Details

Opening Date	Jun 25, 2025
Closing Date	Jun 27, 2025
Allotment Date	Jun 30, 2025
Listing Date	Jul 02, 2025
Stock Exchange	BSE, NSE
Lot Size	182 Shares
Issue Price Per Share	₹77 to ₹82
Issue Size	540.00 Cr.
Fresh Issue	440.00 Cr.
Offer for Sale	100.00 Cr.
Application Amt	₹ 14,924 – ₹ 1,94,012 (182 to 2,366 shares)

### INDUSTRY – Steel pipes and tubes Avg. PE ratio as per RHP – 39.34

KPI's	KPIs (In Crores)			
	FY 22	FY 23	FY 24	Dec-24
Revenue	819.35	937.22	1,285.76	1,016.09
EBITDA	124.52	117.30	159.87	106.37
Net Profit	72.11	60.38	82.44	40.69
RoCE	38.57%	25.50%	21.60%	9.07%*
ROE	48.30%	28.70%	18.81%	5.81%*
P/E	22.84	27.24	21.64	44.62*

\*Annualized

### Promoter Share Holding Pattern

Pre-Issue	Post Issue
71.93%	56.24%

### Valuation Parameters

Particulars	Pre-Issue	Post Issue*
EPS	3.79	1.84
BVPS	18.19	31.63
P/E	21.64	44.62
P/BV	4.51	2.59
Mkt Cap (In Cr)	1,976.22	2,416.22

\*Annualized

### Lead Managers -

**Nuvama Wealth Management Limited**  
**Motilal Oswal Investment Advisors Limited**

### Registrar -

**Kfin Technologies Limited**

## Business Overview –

Sambhv Steel Tubes Limited is engaged in the manufacturing of electric resistance welded (ERW) steel pipes and structural tubes (hollow section). They cater to industries including housing and infrastructure, water transportation, agriculture, automobile, telecommunications, oil and gas, engineering, solar energy, fire-fighting systems, and for support structures of conveyors. As of Dec-24, the company's distribution network comprises 43 distributors (including branches) and over 700 dealers across 15 states and 1 union territory. The company has established a strong presence in key Indian states including Chhattisgarh, Maharashtra, Gujarat, Haryana, Rajasthan, Uttar Pradesh, Madhya Pradesh and Telangana.

### Product Portfolio:

The finished products include ERW black pipes and tubes (hollow section), pre-galvanized (GP) pipes, Cold Rolled Full Hard ("CRFH") Pipes and galvanized iron ("GI") pipes and steel door frames, using intermediate products such as sponge iron, blooms/slabs and hot rolled ("HR") coil, cold rolled ("CR") coil (mild steel) and GP coils which are manufactured in-house. As on Dec-24, the highest production is of Blooms/ Slab (mild steel), HR Coil (Mild Steel), ERW black pipes and tubes including CRFH pipes and Sponge iron.

The company derives majority of its revenue from Bloom/Slabs and ERW black pipes and tubes (hollow section)

**Manufacturing Unit:** The company has 2 facilities located at Raipur, Chhattisgarh (Kuthrel Facility) and at Sarora (Tilda) facility. It sources high-grade iron ore from a Navratna PSU and coal from a Maharatna PSU with a long-term supply agreement, ensuring consistent input availability and optimized logistics. The Sarora (Tilda) facility is equipped with advanced technologies, including a hot rolling mill with HAGC, allowing in-house production of narrow-width HR coils used in ERW pipe manufacturing, reducing dependency on external suppliers. In FY25, the company expanded its production capacity at the Sarora (Tilda) Facility and commissioned its second unit—the Kuthrel Facility—primarily focused on value-added products like GP coils, GP pipes, SS HRAP coils, and SS CR coils.



### Subsidiary: Sambhv Tubes Private Limited

STPL is engaged in the business of, inter alia, manufacturers, processors, repairers, importers and exporters, of and dealers in ferrous and non-ferrous castings of all kinds.

## Business Strategies -

1. The company is planning to commission a greenfield manufacturing facility in Kesda, Chhattisgarh which will be operated by the subsidiary.
2. The company sources better quality raw materials from major Navratna PSU and other major players because of which their capacity utilization is more than 100% for sponge iron, bloom/ slabs and HR coil.
3. The company has undertaken forward integration initiatives which resulted in cost advantages.
4. The company has installed captive power plant from 15MW to 25MW which will be able to meet more than 50% of their total power requirement.
5. The company intends to expand their distribution network especially in coastal States and also certain other States/Union Territories such as Kerala, Tamil Nadu, Andhra Pradesh, Telangana, Karnataka, Goa and Delhi. With capacity expansion they expect to reach other Indian states while increasing the supply in existing states. They have also supplied GI pipes to Saudi Arabia, expanding their presence in the international market.
6. The company focuses on building their brand and conducts regular group meetings with distributors, dealers and retailers.

### **Risk Factors -**

1. The company is highly dependent on few states (Maharashtra, Gujarat, Madhya Pradesh, Chhattisgarh and Rajasthan) for their revenue constituting 16.4%, 47.46% and 54.22% in FY23, Fy24 and Dec-24 respectively. The reliance on these states have increased over the years.
2. The company had negative cash flow from operations for Dec-24.
3. The contingent liabilities as of Dec 31, 2024, is amounting to Rs. 5.91 Cr.
4. The company has 2 tax and 2 regulatory cases against it amounting to Rs. 0.21 Cr.
5. The promoters have 20 outstanding cases against them for tax matters amounting to Rs. 0.29 Cr.
6. The directors have 1 criminal case and 2 tax cases against them amounting to Rs. 0.04 Cr.

### **Competition:**

The company faces competition from global steel producers with expanded production capacities, new market entrants, introduction of backward integration by other players

**INDUSTRY OVERVIEW -****Steel Industry in India****India's position in global market**

During the last 9-year period i.e., between CY 2014 and CY 2023, the global crude steel production grew at a nominal CAGR of ~1.4%. Crude steel production has been largely rangebound over the past few years as it grew from 1,878 million tonnes in 2019 to 1,892 MT in 2023. China, which has been the largest steel producer in the world for a long period, produced 1,019 million tonnes of crude steel in 2023, accounting for approximately 54% of the total global crude steel production in the year. It was followed by India, which produced around 140 million tonnes of crude steel, accounting for a share of 7.4% in global crude steel production in 2023.

**Indian Finished Steel Trade Analysis**

India's finished steel imports grew at a CAGR of 3.4% between FY2019 and FY2025. The import volume saw a sharp decline of 30% year-on-year in FY2021, primarily due to weakened domestic demand amid the pandemic. Imports remained relatively stable in FY2022, but surged thereafter, recording a robust CAGR of over 26% from FY2022 to FY2025, reaching 9.6 million tonnes in FY2025.

This sharp rise in imports over the last two fiscals was driven by a strong post-pandemic recovery, with domestic steel demand growing at a CAGR of approximately 13% between FY2022 and FY2025. Additionally, a significant influx of competitively priced steel from China and Vietnam during FY2023–FY2025 further contributed to the surge in import volumes.

**Steel Pipes and Tubes Sector:**

The demand for domestic steel pipes and tubes is expected to have grown at a CAGR of 5-6% during Fiscals 2019-2025 to rise from 8.8 MTPA in Fiscal 2019 to 12.50-13.50 MTPA in Fiscal 2025, led by government initiatives to augment urban structural infrastructure and to infuse investments in the oil and gas sector. Only fiscal 2021 witnessed an on-year dip of 7% in demand during this period, owing to the Covid-19 pandemic.

**Key Management -**

<b>Key Management Persons Name -</b>	<b>Suresh Kumar Goyal</b>
<b>Age</b>	49
<b>Designation and No. of experience</b>	Promoter, Executive Director and Chairman, 20+ years of experience in steel manufacturing industry
<b>Qualification</b>	B. Com degree
<b>Other Directorships</b>	Sambhv Tubes Private Limited

<b>Key Management Persons Name -</b>	<b>Vikas Kumar Goyal</b>
<b>Age</b>	43
<b>Designation and No. of experience</b>	Promoter, CEO and Managing Director, 19+ years of experience in steel manufacturing industry
<b>Qualification</b>	B. Com degree
<b>Other Directorships</b>	Brijwasi Plastic Private Limited, Sambhv Tubes Private Limited and Sambhv Seva Foundation.

<b>Key Management Persons Name -</b>	<b>Bhavesh Khetan</b>
<b>Age</b>	36
<b>Designation and No. of experience</b>	Executive Director and COO, 10+ years of experience in trading of iron, scrap and coal
<b>Qualification</b>	B. Com degree
<b>Previous Experience</b>	Vinayak Traders

- The overall management of the company is satisfactory.
- **Nidhi Thakkar, Manoj Khetan, and Kishore Kumar Singh** are Independent Directors of the Company. They also have vast experience and education in their respective fields.
- **Anu Garg (CFO)** holds Bachelor of Commerce degree and is an associate member of ICAI. She has 3+ years of experience.
- **Niraj Shrivastava (CS and Compliance Officer)** holds B. Com degree, M. Com degree and Bachelor of Laws degree. He has 17+ years of experience.
- The senior management consists of **Pushpendra Singh Baghel (VP-Direct Reduced Iron & Power), Mayank Agrawal (AVP-Investors Relations), Upendra Kumar (Senior General Manager – Techno Commercial), Bahadur Singh Rautela (VP-Hot Rolling Mill), Prashant Suresh Sharma (VP-Marketing & Communication)** and **Varinder Singla (AVP-Stainless Steel)**. They all have vast experience in their respective fields.
- **Bikash Agrawal (Chief Strategy Officer)** holds MBA (Finance and Marketing) and passed the CFA exam. He has 12 years of experience.
- **Sheetal Goyal (Promoter and Head-CSR)** holds BA degree, and she has 12 years of experience in the steel industry.

**FINANCIAL SNAPSHOT**

<b>Statement of Profit and Loss</b>				Amt in Crores
<b>Particulars</b>	<b>Standalone FY 22</b>	<b>Standalone FY 23</b>	<b>Standalone FY 24</b>	<b>Consolidated Dec-24</b>
Revenue from Operations	819.35	937.22	1,285.76	1,016.09
Other Income	1.40	1.78	3.62	2.71
<b>Total Income</b>	<b>820.75</b>	<b>939.00</b>	<b>1,289.38</b>	<b>1,018.81</b>
<b>Expenses</b>				
Cost of Material Consumed	634.45	670.02	828.72	736.29
Purchases of stock-in-trade	13.54	56.92	105.69	7.57
Change in Inventories of finished goods and WIP	-28.19	-30.24	-14.23	-37.24
Employee Benefit Expenses	23.47	41.46	57.13	60.79
Finance Cost	19.12	21.82	31.82	30.79
Depreciation and Amortization Expense	10.12	16.15	20.91	22.59
Other expenses	51.56	81.76	148.57	142.31
<b>Total Expenses</b>	<b>724.08</b>	<b>857.89</b>	<b>1,178.61</b>	<b>963.10</b>
<b>EBITDA</b>	<b>124.52</b>	<b>117.30</b>	<b>159.87</b>	<b>106.37</b>
<b>EBITDA Margin</b>	<b>15.20%</b>	<b>12.52%</b>	<b>12.43%</b>	<b>10.47%</b>
<b>Profit/(Loss) before tax</b>	<b>96.68</b>	<b>81.12</b>	<b>110.77</b>	<b>55.70</b>
<b>Tax Expense</b>				
Current tax	20.01	16.47	23.82	5.10
Tax for prior years	-	-	-	0.49
Deferred Tax	4.56	4.26	4.50	9.43
<b>Total Tax</b>	<b>24.57</b>	<b>20.73</b>	<b>28.33</b>	<b>15.02</b>
<b>Profit/(Loss) for the year</b>	<b>72.11</b>	<b>60.38</b>	<b>82.44</b>	<b>40.69</b>
<b>Net Profit Margin</b>	<b>8.80%</b>	<b>6.44%</b>	<b>6.41%</b>	<b>4.00%</b>

<b>Statement of Assets and Liabilities</b>				Amt in Crores
<b>Particulars</b>	<b>Standalone FY 22</b>	<b>Standalone FY 23</b>	<b>Standalone FY 24</b>	<b>Consolidated Dec-24</b>
<b>EQUITY AND LIABILITIES</b>				
<b>1. Shareholders' funds</b>				
Equity Share Capital	20.09	20.09	241.00	241.00
Other Equity	129.21	190.31	197.28	237.46
<b>Total Equity</b>	<b>149.30</b>	<b>210.40</b>	<b>438.28</b>	<b>478.46</b>
<b>NON-CURRENT LIABILITIES</b>				
Financial Liabilities				
(i) Borrowings	136.50	168.99	181.43	345.36
(ii) Lease Liabilities	0.20	2.24	3.54	2.07
Provisions	0.89	0.85	1.40	2.56
Deferred tax liabilities	9.70	14.21	18.75	27.98
<b>Total Non-current liabilities</b>	<b>147.30</b>	<b>186.28</b>	<b>205.11</b>	<b>377.97</b>
<b>3. Current liabilities</b>				
Financial Liabilities				
(i) Borrowings	104.79	113.78	165.45	273.79
(ii) Lease Liabilities	0.15	0.05	0.13	0.24
(iii) Trade Payables				
(a) Total outstanding dues of MSME	0.81	0.13	1.80	3.33
(b) Total outstanding dues of creditors other than MSME	30.17	28.16	95.97	176.24
(iv) Other financial liabilities	4.94	6.87	12.76	92.24
Other Current Liabilities	7.99	5.65	13.48	8.74
Provisions	0.03	0.15	0.25	0.81
Current Tax Liabilities (Net)	13.04	0.67	6.91	-
<b>Total Current liabilities</b>	<b>161.91</b>	<b>155.46</b>	<b>296.74</b>	<b>555.39</b>
<b>Total Liabilities</b>	<b>309.21</b>	<b>341.74</b>	<b>501.85</b>	<b>933.36</b>
<b>Total Equity and Liabilities</b>	<b>458.51</b>	<b>552.14</b>	<b>940.13</b>	<b>1,411.82</b>
<b>ASSETS</b>				

Particulars	Standalone FY 22	Standalone FY 23	Standalone FY 24	Consolidated Dec-24
<b>1. Non-current assets</b>				
Property, Plant and Equipment	235.28	294.04	336.74	753.98
Goodwill	-	-	-	0.56
Other Intangible Assets	0.19	0.13	0.05	0.02
Capital Work in Progress	16.70	21.51	215.61	78.60
Investments accounted for using the equity method	0.003			
Financial Assets				
(ii) Loans	0.02	0.05	0.09	0.16
(iii) Other financial assets	5.82	8.68	15.27	25.97
Other Non- current Assets	11.51	21.36	57.06	61.29
<b>Total Non-Current assets</b>	<b>269.52</b>	<b>345.77</b>	<b>624.82</b>	<b>920.58</b>
<b>2. Current assets</b>				
Inventories	121.51	141.45	149.06	260.04
Financial Assets				
(ii) Trade Receivables	15.64	34.57	94.10	136.02
(iii) Cash & Cash equivalents	0.06	0.20	7.58	1.12
(iv) Bank balances other than cash	8.33	7.51	35.40	7.93
(v) Loans	0.19	0.18	0.47	0.95
(vi) Other financials assets	0.20	0.36	1.68	1.03
Current tax assets (net)		-	-	5.67
Other Current Assets	43.06	22.12	27.03	78.48
<b>Total Current assets</b>	<b>188.99</b>	<b>206.37</b>	<b>315.31</b>	<b>491.24</b>
<b>Total Assets</b>	<b>458.51</b>	<b>552.14</b>	<b>940.13</b>	<b>1,411.82</b>

**Cash Flow Statement**

Amt in Crores

Particulars	Standalone FY 22	Standalone FY 23	Standalone FY 24	Consolidated Dec-24
Net Cash Flow from Operating Activities	34.50	65.55	142.43	-42.13
Net Cash Flow from Investing Activities	-100.25	-84.90	-311.60	-200.13
Net Cash Flow from Financing Activities	65.68	19.49	176.56	235.74

**Key Ratios**

Per Share Data	FY 22	FY 23	FY 24	FY 25*	Valuation Ratios (x)	FY 22	FY 23	FY 24	FY 25*
Diluted EPS	3.59	3.01	3.79	1.84	EV/EBITDA	3.07	4.14	4.64	20.80
BV per share	74.31	104.73	18.19	31.63	Market Cap / Sales	0.20	0.18	1.54	1.79
<b>Operating Ratios</b>					P/E	22.84	27.24	21.64	44.62
EBITDA Margins	15.20%	12.52%	12.43%	10.47%	Price to Book Value	1.10	0.78	4.51	2.59
PAT Margins	8.80%	6.44%	6.41%	4.00%	<b>Solvency Ratios</b>				
Inventory days	54.28	55.24	42.43	61.40	Debt / Equity	1.62	1.34	0.79	0.61
Debtor days	6.99	13.50	26.79	21.02	Current Ratio	1.17	1.33	1.06	1.06
Creditor days	13.74	8.44	19.03	24.29	Quick Ratio	0.42	0.42	0.56	0.56
<b>Return Ratios</b>					Asset Turnover	1.79	1.70	1.37	1.44
RoCE	38.57%	25.50%	21.60%	9.07%	Interest Coverage Ratio	5.98	4.64	4.37	2.72
RoE	48.30%	28.70%	18.81%	5.81%					

\*Annualized

**FINANCIAL ANALYSIS –**

1. The top line has increased consistently over the years. For FY2023 it increased by 14.39% and for FY24 it increased by 37.19% which was mainly because of increase in sale of finished goods (as capacity utilization improved) and sale of stocks are increased due to o increase in trading opportunities in relation to coal, scrap, G.I. pipes and other trading goods of similar nature.
2. The EBITDA and net profit also remained slightly inconsistent over the years and saw a slight dip in FY23 which was majorly contributed by increase in purchase of stock, employee benefit expenses and other expenses. This led to overall increase in expenses by 3% in relation to revenue.
3. The EBITDA and PAT margin decreased over the years because overall increase in expenses (majorly other expenses and purchase of stock).
4. The RoCE has constantly declined over the years due to decline in EBIT. A significant expansion plan was underway which was completed during the nine-month period ended Dec 31, 2024, which lead to the decline.

**PEER ANALYSIS**

Particulars	Sambhvh Steel Tubes Limited			APL Apollo Tubes Limited			Hariom Pipes Industries Limited		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
NP Margin	8.80%	6.44%	6.41%	4.72%	3.96%	4.03%	7.38%	7.17%	4.90%
EBITDA Margin	15.20%	12.52%	12.43%	7.52%	6.59%	6.96%	13.58%	12.82%	12.41%
RoCE	38.57%	25.50%	21.60%	29.00%	25.34%	23.26%	36.49%	14.47%	18.52%
ROE	48.30%	28.70%	18.81%	25.12%	21.36%	20.32%	31.27%	12.28%	12.21%
EPS (INR)	3.59	3.01	3.79	24.76	24.33	26.40	18.83	20.73	20.12
P/E	22.84	27.24	21.64	38.02	49.54	56.66	12.27	23.11	18.29

Particulars	Sambhvh Steel Tubes Limited			Hi-tech Pipes Limited			JTL Industries Limited		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
NP Margin	8.80%	6.44%	6.41%	2.1%	1.6%	1.6%	4.49%	5.80%	5.52%
EBITDA Margin	15.20%	12.52%	12.43%	5.4%	4.1%	4.3%	6.86%	8.57%	7.85%
RoCE	38.57%	25.50%	21.60%	21.6%	15.8%	14.1%	42.55%	30.55%	19.94%
ROE	48.30%	28.70%	18.81%	15.6%	9.0%	7.6%	30.89%	22.14%	14.59%
EPS (INR)	3.59	3.01	3.79	0.34	0.56	3.16	0.27	3.14	3.27
P/E	22.84	27.24	21.64	151.74	142.59	44.22	218.56	25.48	28.02

Particulars	Sambhvh Steel Tubes Limited			Rama Steel Tubes Limited			Surya Roshni Limited		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
NP Margin	8.80%	6.44%	6.41%	3.52%	1.98%	2.77%	2.65%	4.19%	4.21%
EBITDA Margin	15.20%	12.52%	12.43%	6.58%	4.45%	6.13%	5.80%	7.74%	7.49%
RoCE	38.57%	25.50%	21.60%	29.28%	18.59%	15.61%	19.47%	25.60%	20.67%
ROE	48.30%	28.70%	18.81%	21.58%	10.11%	8.39%	13.24%	18.00%	15.19%
EPS (INR)	3.59	3.01	3.79	0.22	0.20	0.20	9.56	15.53	15.12
P/E	22.84	27.24	21.64	19.45	46.40	72.00	11.06	10.59	16.81



**LEAD MANAGER TRACK RECORD -**

The lead manager to the issue are **Nuvama Wealth Management Limited and Motilal Oswal Investment Advisors Limited**. A table has been set below highlighting the details of the IPO of the last companies handled by the Lead Manager in recent times –

**Nuvama Wealth Management Limited -**

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Arisinfra Solutions Limited	499.60	222.00	Jun 25, 2025	176.90
2.	Oswal Pumps Limited	1,387.34	614.00	Jun 20, 2025	676.80
3.	Ajax Engineering Limited	1,296.35	629.00	Feb 17, 2025	630.65
4.	Laxmi Dental Limited	698.06	428.00	Jan 20, 2025	436.25
5.	Senores Pharmaceuticals Limited	582.11	391.00	Dec 20, 2024	573.95

The company has handled 21 mandates in the last three years (including current year).

\*CMP for the above-mentioned companies is taken as of 27<sup>th</sup> June 2025.

As per the offer document, the above-mentioned mandates Arisinfra Solutions and Ajax Engineering has opened at a discount and remaining all have opened at a premium on the listing day.

**Motilal Oswal Investment Advisors Limited -**

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Schloss Bangalore Limited	3,500.00	435.00	May 26, 2025	402.45
2.	Dr. Agarwal's Health Care Limited	3,027.26	402.00	Feb 04, 2025	399.80
3.	Laxmi Dental Limited	698.06	428.00	Jan 20, 2025	436.25
4.	Standard Glass Lining Technology Limited	410.05	140.00	Jan 13, 2025	170.10
5.	Concord Enviro Systems Limited	500.33	701.00	Dec 19, 2024	584.15

The company has handled 15 mandates in the last three years (including current year).

\*CMP for the above-mentioned companies is taken as of 27<sup>th</sup> June 2025.

As per the offer document, the above-mentioned mandates, Dr. Agarwal's Health Care has opened at a discount and remaining all have opened at a premium on the listing day.

**Recommendation -**

Sambhv Steel Tubes Limited has been in the industry since 2017 and has decent experience in the industry.

The management overview of the company is satisfactory with promoters and management having good experience in the industry. However, nobody has relevant education required to know the technical aspects of steel. The CFO also has limited experience.

The P/E on a post-IPO annualized basis is 44.62 times which makes it highly priced.

Financial Analysis: Although, the top line has increased over the years consistently, the EBITDA and net profit saw a dip in FY23. The profitability margins have decreased over the years which raises slight concern. The return ratios have also decreased over the years due to undertaking major greenfield and brownfield expansions.

Although, the company has geographic concentration and is operating in a highly fragmented and cyclical industry with fluctuations in the prices of key raw materials like iron ore, coal, ferroalloys, and scrap, they have become one of the few players in India with a backward-integrated manufacturing setup, enabling it to deliver a wide range of premium products (better quality raw materials from Navratna PSU) with cost efficiency. They are one of the two players in India manufacturing ERW steel pipes and tubes (along with hollow section pipes and tubes) using narrow-width HR coil. During FY24–FY25, the company expanded its production capabilities to include Stainless Steel (SS) Bloom, SS Hot Rolled Coils, SS Cold Rolled Coils, and SS HRAP Coils—products known for their higher margin potential. It also commenced production of Pre-Galvanised (GP) pipes and GP coils, thereby strengthening its portfolio of value-added offerings.

Thus, investors can **APPLY** to this IPO for long-term.

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