



IPO Note

ANB Metal Cast Limited

Recommendation: **AVOID**

Business - ANB Metal Cast Limited manufactures aluminium pressure die-casting components and profiles. Based in Rajkot, Gujarat, the company caters to both domestic and export markets. It offers end-to-end solutions including machining, fabrication and finishing and serves clients across industries such as automotive, electrical and construction, both directly and through job work.

Objects of the Issue –

Particulars	Amount (in ₹ Lakhs)
Funding capital expenditure requirements for the proposed expansion	1,370.01
Part funding long-term working capital requirements	2,150.00
General Corporate Purposes	-

Promoters Name –

Mr. Avnishkumar Dhirajlal Gajera

Promoter Share Holding Pattern	
Pre Issue 91.49%	Post Issue 66.75%

Rationale for recommendation –

Incorporated in the year 2019, the company has been involved in the production of Aluminium Extrusion and Non-Ferrous Metal Alloys. The objective of the company is to expand its production capabilities with new machines improving the cost efficiency and profitability margins and to fund the working capital requirements. The company has grown substantially in Revenue and Profitability terms and the expansion would further add to it. But, the company has sold 99% its product in the state of Gujarat and has also a liability to fulfil export obligations. The company is dependent on only one promoter cum managing director and the KMPs of the company appointed also seems to be done to meet the corporate governance requirement. Company has experienced negative cash flows for FY 23 and FY 24. The attrition rate of the company is very high of almost 50% over past few years. The Post IPO PE is of 18 times. Given the company's risks and other observations, we recommend to **AVOID** the IPO now.

IPO Details

Opening Date	Aug 08, 2025
Closing Date	Aug 12, 2025
Allotment Date	Aug 13, 2025
Listing Date	Aug 18, 2025
Stock Exchange	NSE SME
Lot Size	800 Shares
Issue Price Per Share	₹156
Issue Size	₹49.92 Cr.
Fresh Issue	₹49.92 Cr.
Offer for Sale	-
Application Amt	₹ 2,49,600 (1,600 shares)

KPIs (In Lakhs)

KPI's	FY 23	FY 24	FY 25
Revenue	8,427.46	11,212.05	16,256.86
EBITDA	314.66	1,067.41	1,740.73
Net Profit	184.63	533.64	1,024.71
RoCE	22.82%	40.22%	39.54%
ROE	34.36%	50.00%	30.17%
P/E	38.42	21.91	12.32

Valuation Parameters

Particulars	Pre-Issue	Post Issue
EPS	12.66	8.66
BVPS	39.34	28.70
P/E	12.32	18.02
P/BV	3.97	5.43
Mkt Cap (In Cr)	134.70	184.62

Lead Managers –

Sun Capital Advisory Services (P) Limited

Registrar –

KFin Technologies Limited

Industry Overview –

India's aluminium casting and extrusion industry is experiencing steady growth, driven by rising demand from automotive, electrical, construction, and industrial machinery sectors. The push for lightweight, corrosion-resistant components has further increased demand for aluminium die-cast products, with Gujarat emerging as a key manufacturing hub.

Market Size –

The aluminium die-casting market in India is valued at approximately ₹24,000 crore and is projected to grow steadily, aligned with the expansion of key user industries. Growth is underpinned by trends such as electric vehicle adoption, smart city infrastructure, and demand for precision-engineered components. Aluminium extrusions are widely used for structural applications, with increasing usage in solar panel frames, transport vehicles, and modular construction. Manufacturers are focusing on improving productivity through CNC-based machining, energy-efficient melting furnaces, and quality assurance systems conforming to ISO, BIS, and customer-specific standards.

Government Initiatives –

Government programs like “Make in India,” PLI schemes, and enhanced import substitution policies have supported domestic manufacturing of aluminium cast and extruded products. Additionally:

- Reduction in customs duties on raw aluminium inputs aims to control cost pressures.
- MSME-specific schemes provide access to credit and technology upgrades.
- Infrastructure development initiatives drive demand for extrusions in construction and transport.

Outlook –

India's aluminium casting and extrusion segment is expected to maintain consistent growth, supported by:

- Increased automotive and EV component demand.
- Greater focus on precision engineering and export-quality standards.
- Supportive government policies and infrastructure investments boosting end-user industries.

(source : RHP)

Business Overview -

Situated in Rajkot, the company is involved in the production of aluminium extrusions and non-ferrous metal alloys. The company specializes in the manufacturing of a diverse range of aluminium extrusion products, including motor bodies, various structural profiles, round bars, solar panel profiles, railings, and sliding windows. These products serve multiple industries such as electronics, automotive, mechanical, solar energy, and architecture. The company aims to deliver consistent value to its customers by focusing on high-quality production and cost efficiency, supported by a commitment to continuous improvement, integrity, and operational excellence. Company offers a wide range of aluminium products, including hardware items, railing and architectural solutions, engineering products, kitchen profiles, and aluminium extrusion products like channels, sections, flat bars and tubes. These products are available in various profiles with a range of finishes, tolerances, and tempers, customized to meet specific customer requirements. The dies used in manufacturing these extrusions and profiles are custom-made and owned by the Company.

The company has its manufacturing capacity in Rajkot in a 50,000 sq ft land with a capacity of producing 7,800 MT per annum. The company has utilised 78% of its installed capacity in FY 25 from 62% in FY 23 as given in the table below –

Particulars	March 31, 2025	March 31, 2024	March 31, 2023
Installed Capacity (in MT)	7,800	7,800	5,400
Actual Production (in MT)	6,100	5,400	3,360
Capacity Utilization (in %)	78.00%	69.00%	62.00%

The company has been selling its good entirely in the domestic market and more than 99% of its sales is in the state of Gujarat. The company has a diverse product base and the revenue sharing from these products is given in the table below –

(Amount in ₹ Lakhs)						
Revenue Segment	FY25	% of Revenue	FY24	% of Revenue	FY23	% of Revenue
Motor-body (Self Priming Pump, Induction Motor, Fan Motor, Agriculture Pump)	2,419.75	14.88%	1,927.53	17.19%	1,699.24	20.17%
Hardware (Door Handle, Tower Bolt, Cabinet, Handle)	718.07	4.42%	2,576.03	22.98%	2,118.19	25.13%
Engineering (Car Body Part, Engine Part, Machinery Part)	2,347.68	14.44%	952.03	8.49%	832.2	9.87%

Revenue Segment	FY25	% of Revenue	FY24	% of Revenue	FY23	% of Revenue
Solar (Solar Panel Frame, Project Solar, Walk Way, Structure)	1,865.33	11.47%	715.75	6.38%	759.46	9.01%
Architectural (Window Section, Stair Case, Façade, Openable and Fixed Window)	2,300.12	14.15%	1,423.70	12.70%	1,034.51	12.28%
Railing (Balcony Railing, Window Section, Profile, Glass Profile)	2,981.48	18.34%	2,225.39	19.84%	1,202.89	14.27%
Kitchenware & Other (Kitchen Profile, Door Handle, Knob)	3,624.43	22.30%	1,391.62	12.42%	780.97	9.27%
Total	16,256.86	100%	11,212.05	100%	8,427.46	100%

ANB Metal Cast Limited has shown diversification across product segments over FY23 to FY25. The Kitchenware & Other segment accounted for 22.30% of revenue in FY25, increasing from 9.27% in FY23, indicating a shift in product focus. In contrast, the Hardware segment's contribution declined from 25.13% in FY23 to 4.42% in FY25, suggesting a possible reduction in volume or strategic de-prioritization.

Engineering, Solar and Architectural segments recorded higher revenue over the period, supported by demand from industrial and infrastructure applications. The Railing and Motor-body categories increased in absolute revenue terms, though their share of the overall mix remained relatively stable.

Business Strategies -

- Focus on consistently meeting quality standards.
- Maintaining edge over competitors
- Continue to strive for cost efficiency
- Increase production capabilities

FINANCIAL SNAPSHOT

(Amt. in Lakhs)

Particulars	FY 23	FY 24	FY 25	Particulars	FY 23	FY 24	FY 25
P&L Statement				Per Share Data			
Total Income	8,427.56	11,215.41	16,263.57	Diluted EPS	4.06	7.12	12.66
Total Expenses	8,172.88	10,401.10	14,863.17	BV per share*	17.91	35.58	39.34
EBITDA	314.66	1,067.41	1,740.73	Operating Ratios			
EBIT	297.05	1,011.48	1,655.52	EBITDA Margins	3.73%	9.52%	10.71%
PBT	254.68	814.31	1,400.40	PAT Margins	2.19%	4.76%	6.30%
Tax Expenses	70.05	280.67	375.69	Inventory days	27.65	59.40	73.47
Net Profit	184.63	533.64	1,024.71	Debtor days	127.55	81.14	80.97
Balance Sheet				Creditor days	97.30	51.63	56.39
Total Equity	537.27	1,067.27	3,396.97	Return Ratios			
Assets				RoCE	22.82%	40.22%	39.54%
Non-Current Assets	701.84	1,387.96	1,470.95	RoE	34.36%	50.00%	30.17%
Current Assets	3,700.51	4,969.77	8,334.15	Valuation Ratios (x)			
Total Assets	4,402.35	6,357.73	9,805.10	EV/EBITDA	6.75	4.05	3.09
Liabilities				Market Cap / Sales	0.56	0.42	0.83
Non-Current Liabilities	764.43	1,447.39	789.81	P/E	38.42	21.91	12.32
Current Liabilities	3,100.65	3,843.07	5,618.32	Price to Book Value	8.71	4.39	3.97
Total Liabilities	3,865.08	5,290.46	6,408.13	Solvency Ratios			
Cash Flow Statement				Debt / Equity	2.96	3.09	0.97
CFO	-639.90	-729.60	399.62	Current Ratio	1.19	1.29	1.48
CFI	-618.48	-742.05	-168.21	Quick Ratio	0.99	0.82	0.90
CFF	1,260.07	1,501.74	1,049.50	Asset Turnover	1.91	1.76	1.66
				Interest Coverage Ratio	6.99	5.04	6.32

Financial Analysis –

- **Total Income** – The company's total income increased from ₹8,427.56 lakhs in FY23 to ₹16,263.57 lakhs in FY25, registering a CAGR of 39.9%, reflecting strong growth momentum and capacity utilization gains.
- **EBITDA and PAT Margins** – EBITDA margin improved from 3.73% in FY23 to 10.71% in FY25, and PAT margin rose from 2.19% to 6.30%, indicating significant improvement in cost control and operational efficiency.
- **RoCE and RoE** – Return on capital employed improved from 22.82% in FY23 to 39.54% in FY25, while return on equity moved from 34.36% to 30.17%. Although RoE saw a drop in FY25 from FY24's 50%, the figures remain strong, reflecting profitable reinvestment.
- **Operating Cash Flow** – Operating cash flow, which was negative at ₹(639.90) lakhs in FY23 and ₹(729.60) lakhs in FY24, turned positive to ₹399.62 lakhs in FY25, suggesting improvement in cash generation, though past periods reflect working capital strain.
- **D/E Ratio and Interest Coverage** – Debt-to-equity ratio declined from 3.09x in FY24 to 0.97x in FY25, showing significant deleveraging, while interest coverage improved from 5.04x to 6.32x, pointing to better debt-servicing capacity.

Outlook - ANB has delivered strong topline and margin growth over FY23–FY25, alongside improved asset efficiency. However, the earlier years reflected working capital stress and negative cash flows, requiring close monitoring. The company has successfully reduced leverage and its valuation metrics now reflect a more stable and scalable business. Sustaining the margin levels and strengthening cash flows will be critical to long-term consistency.

Lead Manager –

The lead manager of the issue is Sun Capital Advisory Services (P) Ltd. This is the 2nd mandate handled by them in this year and the IPO closed at negative 23% on its listing day.

Risk Factors -

- More than 90% of the revenue comes from top 10 customers.
- Price of raw material is exposed to market fluctuations.
- There have been instances of significant delays in statutory filings and reason given for the same is lack of working capital.
- Company has to fulfil export obligations and in last 3 years it has been seen that the company has made no exports.
- The attrition rate of the company is around 50% over the years.
- The percentage of insurance cover on the assets for FY 25 is only 18%.
- The company has experienced negative cash flow from operation in FY 23 and FY 24.
- The company operates in a highly competitive industry, exposing it to pricing risks.

Key Management

- Mr. Avnishkumar Dhirajlal Gajera is the Managing Director of the company. He has more than 11 years of experience in the field of import, export, metal casting in the aluminium industry.
- The Non-Executive and Independent Directors have considerable experience in their respective fields.
- The Chief Financial Officer of the company possesses 3 years of limited experience in budgeting, forecasting and financial reporting.
- The Company Secretary and Compliance Officer has more than 6 years of experience.

Outlook – The overall management of the company is unsatisfactory with some key managerial personnel having limited experience and highly dependent on one promoter.

Peer Analysis

Particulars	ANB Metal Cast Limited			Maan Aluminium Limited			Banco Products (India) Limited		
	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25
NP Margin	2.19%	4.76%	6.30%	6.14%	3.46%	1.98%	10.12%	9.79%	12.20%
EBITDA Margin	3.73%	9.52%	10.71%	8.72%	4.72%	3.09%	15.69%	15.46%	19.02%
RoCE	22.82%	40.22%	39.54%	43.00%	25.00%	11.00%	27.53%	15.42%	8.53%
ROE	34.36%	50.00%	30.17%	38.17%	20.25%	8.99%	23.58%	25.78%	30.08%
EPS (INR)	4.06	7.12	12.66	9.25	6.06	2.87	16.47	18.98	27.39
P/E	38.42	21.91	12.32	5.40	18.50	21.90	7.10	16.80	16.50

ANB Metal Cast has demonstrated a strong improvement trajectory in profitability and efficiency metrics over FY23–FY25. Its PAT margin increased steadily from 2.19% to 6.30%, outperforming Maan Aluminium in FY25 (1.98%) but still trailing Banco Products (12.20%). Similarly, EBITDA margins for ANB rose from 3.73% to 10.71%, reflecting improving cost management, again beating Maan Aluminium but remaining below Banco's consistently high levels. In terms of return ratios, ANB delivered strong RoCE and RoE, peaking in FY24 and stabilizing at healthy levels in FY25, while peers saw declining trends, particularly Banco's RoCE falling to 8.53% and Maan Aluminium's to 11.00%. ANB's EPS grew over 3x from FY23 to FY25, signifying robust earnings expansion, although it remains lower in absolute terms compared to Banco.

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