

Initiating Coverage

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Sambhv Steel Tubes Ltd (SAMBHV)

A 3.4x Capacity Surge Makes Multi-year Growth SAMBHV

September 29, 2026

institutional.equities@choiceindia.com

Initiating Coverage | Sector: Metals and Mining
Sambhv Steel Tubes Ltd. (SAMBHV)

September 29, 2026 | CMP: INR 154 | Target Price: INR 210

Expected Share Price Return: 36.6% | Dividend Yield: 0.0% | Expected Total Return: 36.6%

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Sector View: Positive

BUY



एव संभव है

Company Information

Established in 2018, Sambhv Steel Tubes Ltd is an integrated steel manufacturer with a diversified product portfolio spanning ERW black pipes, hollow sections and GI pipes. Its vertically integrated manufacturing setup, covering sponge iron, blooms/slabs and HR coils, enables greater control over raw-material sourcing, product quality and operating costs. The company is expanding into higher-value products such as stainless steel and seamless pipes, supporting product-mix enhancement and long-term growth.

BB Code	SAMBHV
ISIN	INE12NJ01018
Face Value (INR)	10.0
52 Week High (INR)	161.5
52 Week Low (INR)	80.7
Mkt Cap (INR Bn)	45.4
Shares o/s (Mn)	294.7
Free Float	42.3%

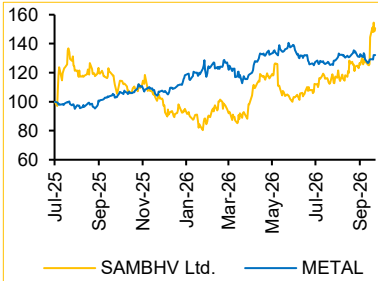
Shareholding Pattern (%)

	Jun-26	Mar-26	Dec-25
Promoters	56.11	56.15	56.15
FIIs	1.53	1.52	1.67
DIIIs	3.17	3.09	2.68
Public	39.19	39.24	39.50

Relative Performance (%)

YTD	6 Month	12 Month	Since Listing
SAMBHV	65.2	40.9	50.7
Metal	14.2	26.5	32.1

Rebased Price Performance



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The Market – India's Steel Demand is Large, Broad-based and Growing at 7–9% a Year: SAMBHV is well-positioned to capitalise on India's growing finished steel demand, driven by sustained government capex and expanding structural applications. Core market segments show robust growth: **Hot-Rolled (HR) Steel** is projected to expand by 7.0–9.0% annually; **ERW Pipes & Tubes** — SAMBHV's main revenue driver (45% of FY26 revenue) — is set to grow at ~8.5% p.a. to 12.5–13.0 MT by FY29E. Additionally, **India's Stainless Steel market** offers high-margin mix-upgrading potential, reaching ~INR 1,704 Bn by FY30E (8.2% CAGR). Supported by a 3.4x capacity expansion and integrated HR coil production, SAMBHV requires minimal market share gains to achieve scalable volume and margin growth.

Growth Engine – INR 20.5 Bn of Capex Lifts 3.4x Capacity: SAMBHV is entering into a transformative growth cycle backed by an aggressive **INR 20.5 Bn capex plan over FY27E–29E**, which expands its **finished-product capacity 3.4x, from 508 kt to 1,730 kt**. The expansion — centred around the flagship Kesda facility — underpins a **33.2% volume CAGR (FY26–FY29E) to 937 kt by FY29E**.

Importantly, our financial model assumes a conservative **blended capacity utilisation of just 49–54% in FY28E–29E (down from 78% in FY26)**, leaving substantial operational headroom for sustained long-term growth beyond the explicit forecast period. While FY27E will bear the initial drag of peak capex deployment, **capacity commissioning from FY28E will unlock operating leverage and propel revenue at a 44.9% CAGR (FY26–FY29E) to INR 73.4 Bn by FY29E**.

The Payoff – Value-added Mix Shift Enhances Profit Pool: Beyond sheer volume growth, SAMBHV's earnings trajectory is anchored by a structural shift towards high-value, margin-accretive product categories. Commercialisation of new lines — such as **Seamless pipes earning INR 45,000/t EBITDA, SS CR coil earning INR 17,000/t and Galvalume (GAL) coils/pipes earning INR 5,000/t** — will lift overall blended EBITDA per tonne from INR 6,901 in FY26 to INR 9,377 by FY29E.

Backed by single-site integrated operations and captive power cost advantages, EBITDA and PAT are projected to compound at 47% CAGR each (FY26–FY29E) to reach INR 8,785 Mn and INR 4,481 Mn, respectively, by FY29E. As new assets start earning full revenue, return ratios will rebound sharply, pushing ROE back to ~25%.

Valuation: We initiate coverage on SAMBHV with a 'BUY' rating ([EV/EBITDA-based valuation for details; click here](#)) and a Base Case target price of **INR 210/share** (10x TTM H1FY29E EV/EBITDA), implying **36.6% upside** from CMP INR 154. Under our Bull Case, the target reaches **INR 256/share** on seamless Kesda commissioning and superior SS spreads. Conversely, our Bear Case yields **INR 152/share**, assuming capex execution delay or import margin pressure. At CMP, the stock trades at ~9.7x FY28E and ~7.9x TTM H1FY29E EV/EBITDA (EV is calculated after considering debt raising).

Key Risks: Possible execution delays, particularly at Kesda, remain the key upside trigger and risk.

Links: [Bull Bear Case](#) / [Plant Visit and Management Meeting](#) / [Investors Concerns Answered](#)

Key Financials - IND AS

INR Mn	FY24	FY25	FY26	FY27E	FY28E	FY29E
Revenue	12,857	15,113	24,133	30,505	50,676	73,396
YoY (%)	37.2	17.5	59.7	26.4	66.1	44.8
EBITDA	1,598	1,544	2,763	3,587	5,875	8,785
YoY (%)	36.3	(3.4)	78.9	29.8	63.8	49.5
EBITDAM %	12.4	10.2	11.4	11.8	11.6	12.0
PAT	824	572	1,422	1,878	2,581	4,481
EPS (INR)	3.8	2.4	5.1	3.1	4.2	7.3
ROE %	25.4	12.3	18.7	16.2	18.0	24.6
ROCE %	15.7	9.5	13.6	11.3	12.5	16.8
EV/EBITDA (x)*	25.1	27.2	17.1	15.7	9.8	6.7

*Future EV is calculated after considering after debt raising
Source: SAMBHV, Choice Institutional Equities

Report Structure

Sr. No.	Particulars	Page No.
1 Data Driven Insights	From Data to Alpha – The Thesis Unfolds	4
2 Investment Thesis	2.1 The Market – India's Steel Demand Is Large, Broad-based and Growing at 7–9% a Year ✓ Demand is Being Pulled by Infrastructure and Construction ✓ HR Steel – SAMBHV's Raw Material and Product – Grows 7–9%, but Imports Need Watching ✓ ERW Pipes – SAMBHV's Largest Segment (45% of FY26 Revenue) – Set to Grow ~8.5% a Year ✓ India's SS Market – INR 1.1 Tn Today, Heading to INR 1.7 Tn by FY30E	7
	2.2 Growth Engine – INR 20.5 Bn of Capex Lifts 3.4x Capacity ✓ Capacity Build: INR 20.5 Bn of Capex Lifts Finished Capacity from 508 kt to 1,730 kt ✓ Volumes Compound at 33% p.a.; Utilisation to Stand at Mid-level	10
	2.3 The Payoff – Value-added Mix Shift Enhances Profit Pool ✓ Mix Shift: From Selling Intermediates to Selling Value-Added Products ✓ Growth Roadmap by Product (FY29E)	12
	3.1 Peer Landscape	14
	3.2 Key Investors Questions Addressed	15
3 Investment View	3.3 Key Insights from Plant Visit and Management Interaction	16
	3.4 SWOT Analysis	18
	3.5 EV/EBITDA-based Valuation Supports BUY with TP of INR 210/share	19
	3.6 Scenario Analysis – Bull vs Bear Case Outcomes	20
4 Financials	4.1 Financials and Ratio Analysis	21
	4.2 Graphs and Trends	22
5 Industry Overview	5.1 Domestic Steel Demand Momentum Remains Strong; 7.5–8.5% CAGR Expected Through FY29	24
	5.2 HR Steel Demand Set to Reach 75–78 MT by FY29	25
	5.3 Steel Pipes and Tubes: An Important Downstream Steel Segment in India	27
	5.4 GI Pipe Demand to Grow 8.7% CAGR, Supported by Construction and Water Infrastructure	29
	5.5 India Stainless Steel Demand: Strong Growth with Significant Headroom	31
	5.6 Michael Porter's Five Forces Analysis	32
6 About the Company	6.1 Company History	33
	6.2 Vision 2030: Scaling Capacity, Deepening Integration and Creating Long-term Value	34
	6.3 Strategic Manufacturing Footprint Drives Cost Efficiency	35
	6.4 Key Milestone	36
	6.5 About the Management	37
	6.6 Abbreviations & Terms	38

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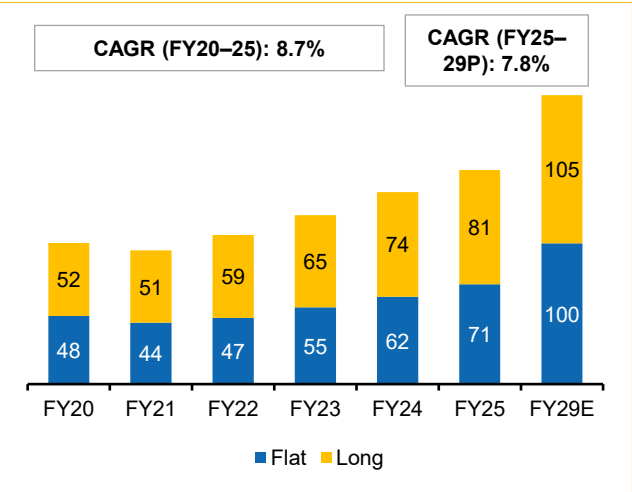


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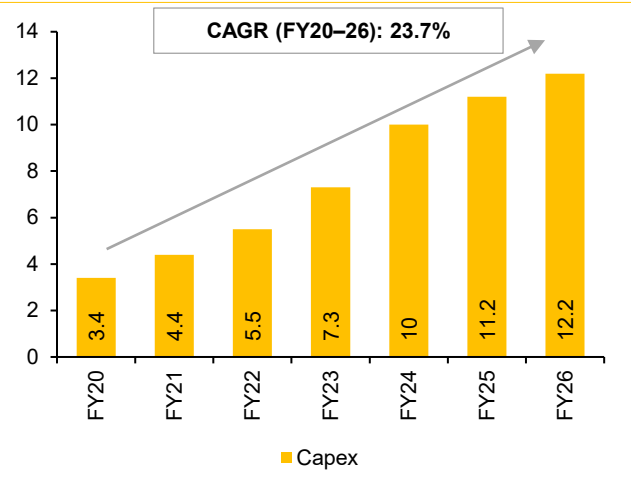
1.1 From Data to Alpha — The Thesis Unfolds

Domestic Finished Steel Demand (MT) – FY29E at Mid-point



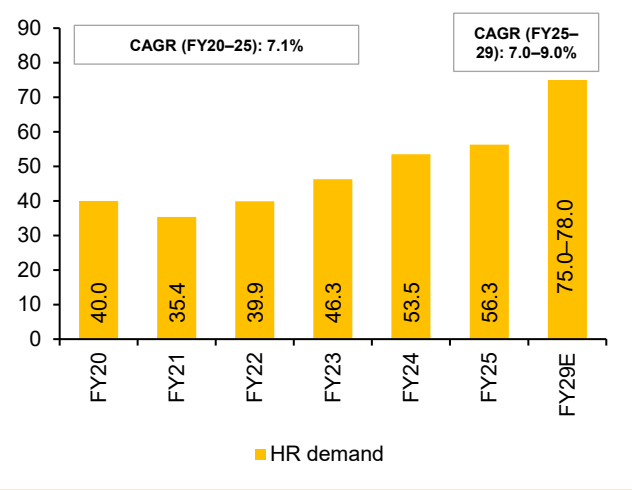
Source: Crisil Intelligence, Choice Institutional Equities

Government Capex (INR Tn)



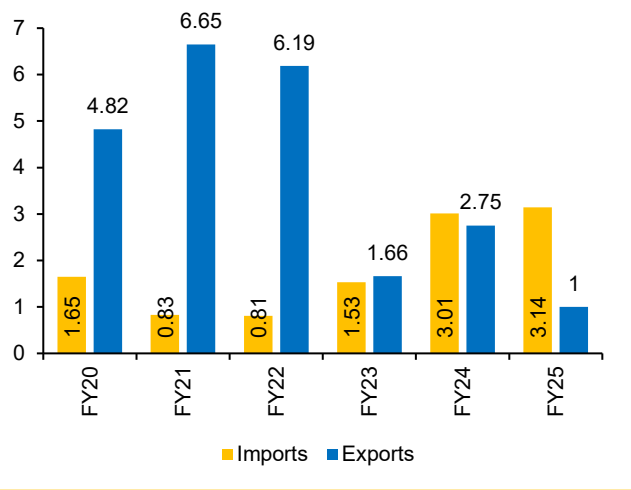
Source: Crisil Intelligence, Choice Institutional Equities

HR Steel Demand (MT) – 7.1% CAGR FY20–25; 7–9% Ahead



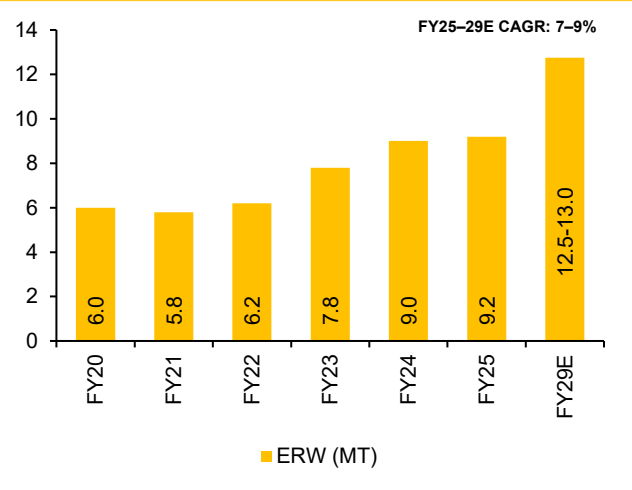
Source: Crisil Intelligence, Choice Institutional Equities

India's HR Steel Trade (MT)



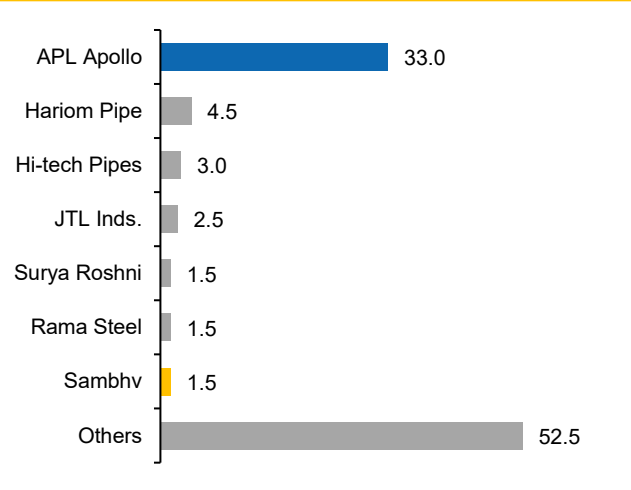
Source: Crisil Intelligence, Choice Institutional Equities

ERW Pipes & Tubes Demand (MT)



Source: Crisil Intelligence, Choice Institutional Equities

Domestic ERW Market Share, FY25 (%)

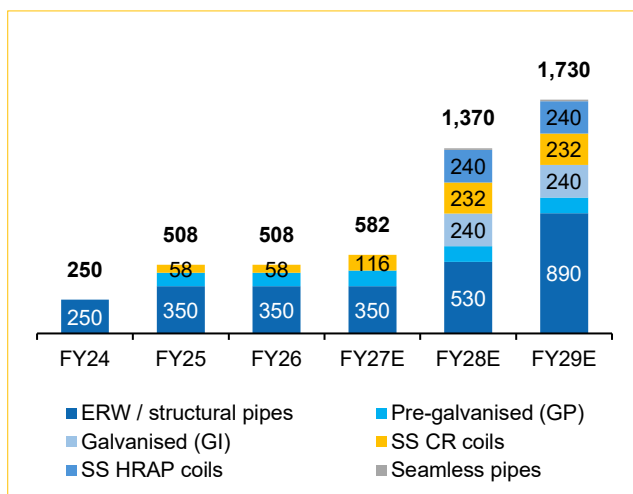


Source: Crisil Intelligence, Choice Institutional Equities

Crisil pegs Sambhv at ~1.5%; our 2.3% uses SAMBHV's structural-pipe tonnes over Crisil's ERW demand.

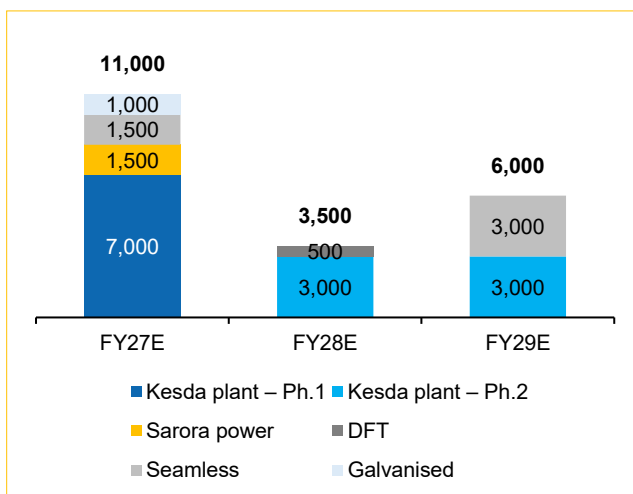
1.1 From Data to Alpha — The Thesis Unfolds

INR 20.5 Bn of Capex Lifts Finished Capacity (kt)



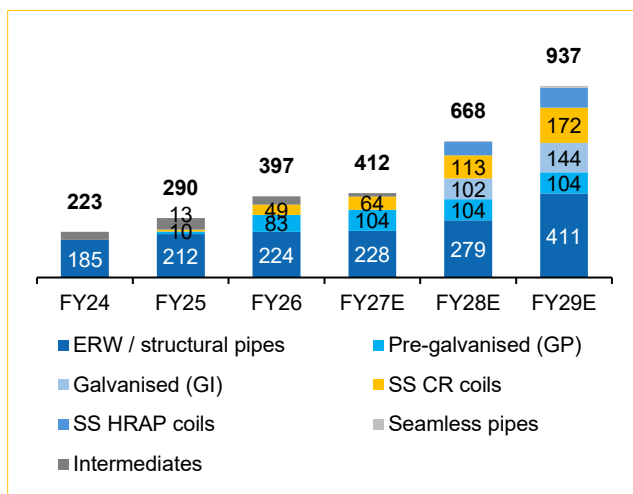
Source: SAMBHV, Choice Institutional Equities

Capex by Project (INR Mn) – FY27E Is the Heavy Year



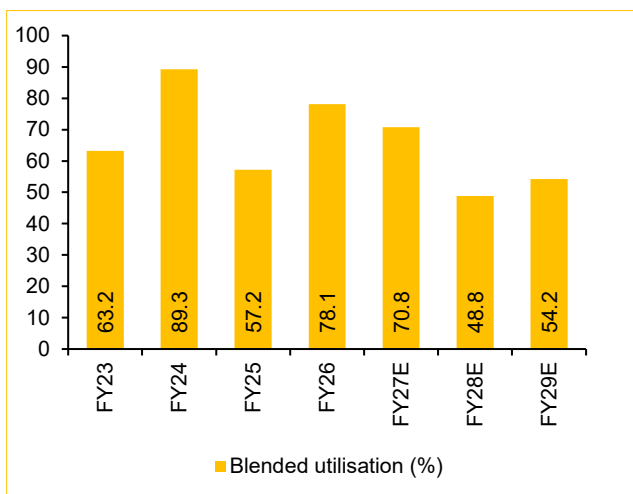
Source: SAMBHV, Choice Institutional Equities

Sales Volume to compound at ~33.2% CAGR over FY26-FY29E (kt)



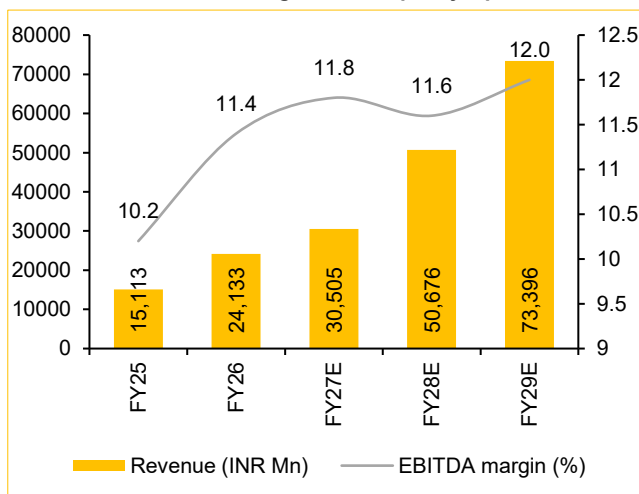
Source: SAMBHV, Choice Institutional Equities

Utilisation to stand at midlevel; providing headroom for future growth



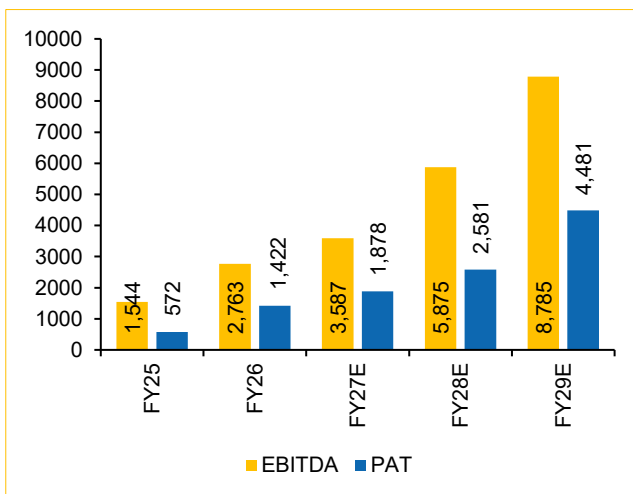
Source: SAMBHV, Choice Institutional Equities

FY28E Revenue Hike Owing to New Capacity Operations



Source: SAMBHV, Choice Institutional Equities

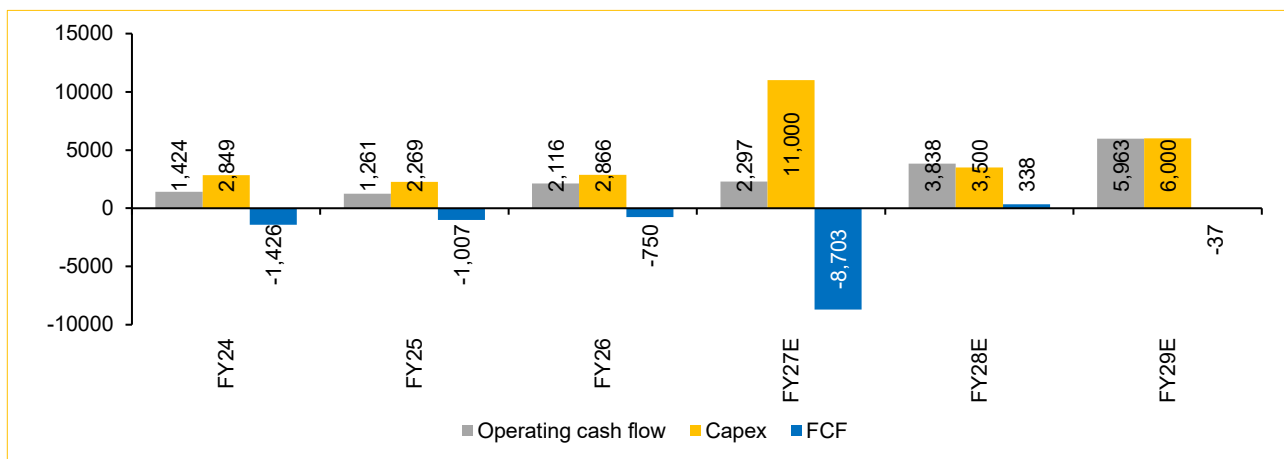
Profitability Growth Supported by Operating Leverage



Source: SAMBHV, Choice Institutional Equities

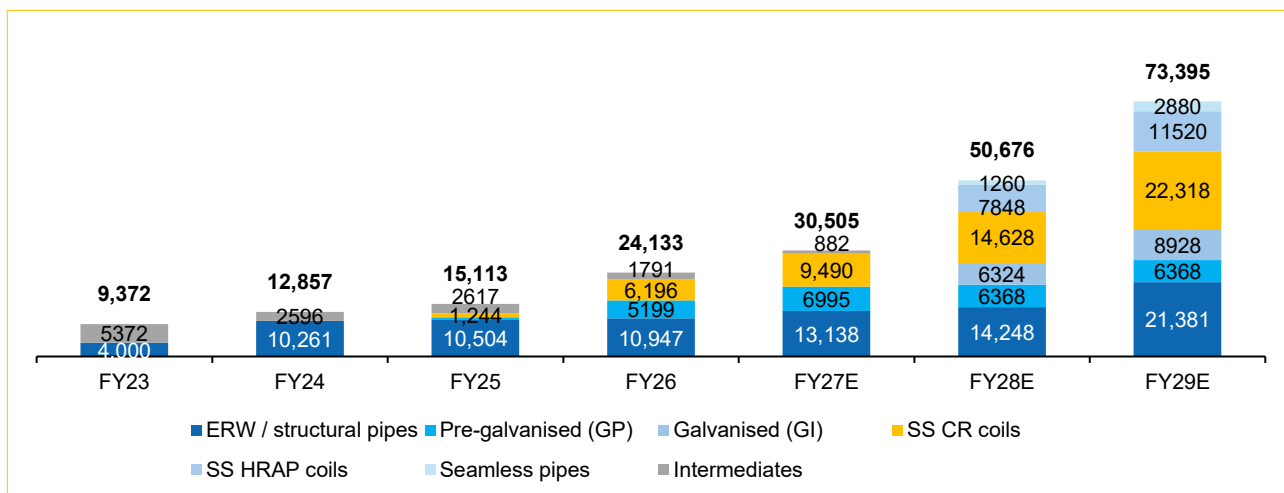
1.1 From Data to Alpha — The Thesis Unfolds

Debt-funded Through FY29E – The Key Monitorable (INR Mn)



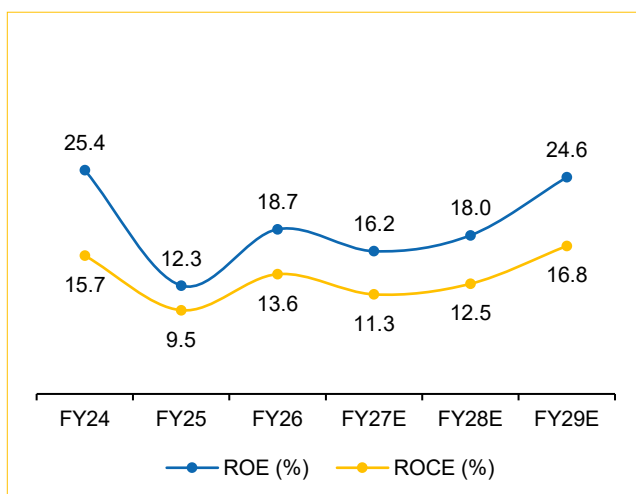
Source: SAMBHV, Choice Institutional Equities

Revenue by Segment (INR Mn) – New Product Lines Broaden the Base



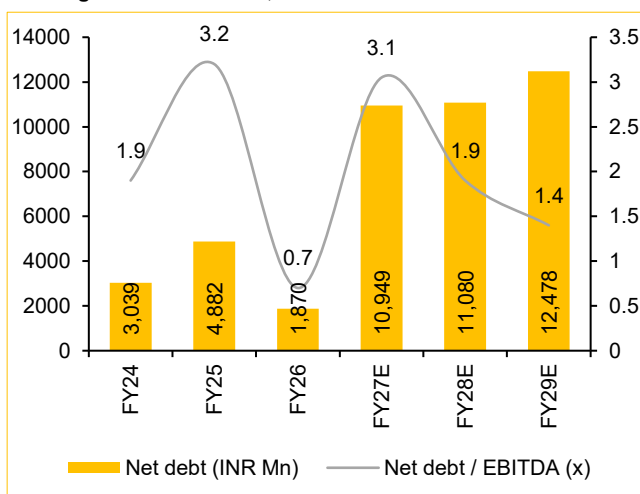
Source: SAMBHV, Choice Institutional Equities

Returns Recover as New Assets Start to Earn



Source: SAMBHV, Choice Institutional Equities

Leverage Peaks in FY27E, then Falls as EBITDA Scales



Source: SAMBHV, Choice Institutional Equities

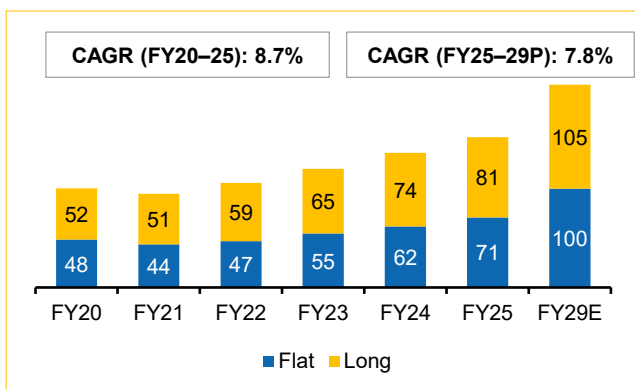
2.1 The Market – India's Steel Demand is Large, Broad-based and Growing at 7–9% a Year

SAMBHV is well-positioned to capitalise on India's growing finished steel demand, **driven by sustained government capex and expanding structural applications**. Core market segments show robust growth: **Hot-Rolled (HR) Steel is projected to expand by 7.0–9.0% annually**; **ERW Pipes & Tubes — SAMBHV's main revenue driver (45% of FY26 revenue) — is set to grow at ~8.5% p.a. to 12.5–13.0 MT by FY29E**. Additionally, **India's Stainless Steel market offers high-margin mix-upgrading potential, reaching ~INR 1,704 Bn by FY30E (8.2% CAGR)**. Supported by a **3.4x capacity expansion** and integrated HR coil production, SAMBHV requires minimal market share gains to achieve scalable volume and margin growth.

2.1.1 Demand is Being Pulled by Infrastructure and Construction

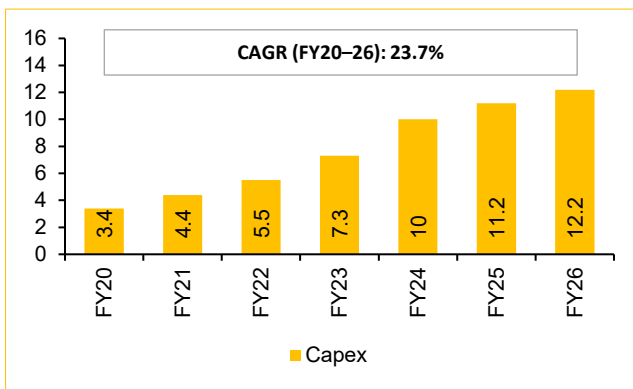
Flat and long steel are both growing. Government capex is the steadiest driver – as a rule of thumb, every INR 10 Mn of infrastructure spending needs 8–12 tonnes of steel.

Domestic Finished Steel Demand (MT) – FY29E at Mid-point



Source: Crisil Intelligence, Choice Institutional Equities

Government Capex (INR Tn)



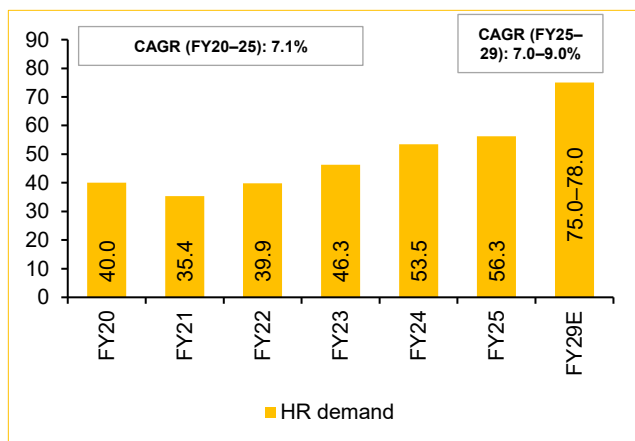
Source: Crisil Intelligence, Choice Institutional Equities

2.1.2 Hot Rolled (HR) Steel – SAMBHV's Raw Material and Product – Grows 7–9%, but Imports Need to be Watched

HR imports remain the key near-term variable, with 3.1 MT imported in FY25, largely from Asian mills, potentially capping domestic steel prices. At the same time, elevated imports highlight the **import-substitution opportunity for domestic producers**. With JSW and Tata accounting for ~63% of domestic HR supply, SAMBHV's in-house HR coil capacity (370 kt mild steel + 80 kt stainless steel) provides greater control over input cost and reduces reliance on external suppliers.

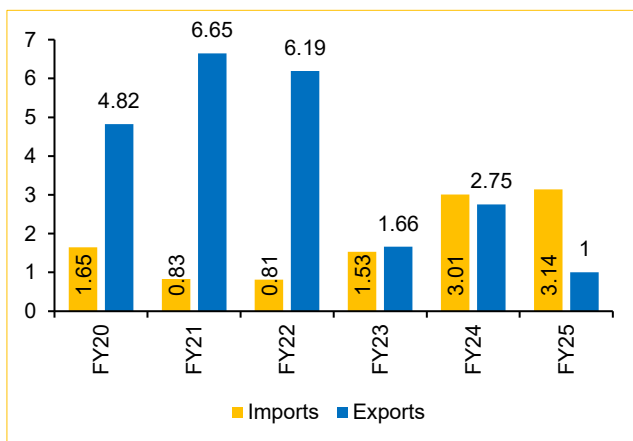
The backdrop remains a 7–9% growing steel market, with HR imports the key variable to be monitored. Next: We turn to the Pipe segment, which drives the bulk of SAMBHV's revenue.

HR Steel Demand (MT) – 7.1% CAGR FY20–25; 7–9% Ahead



Source: Crisil Intelligence, Choice Institutional Equities

India's HR Steel Trade (MT)



Source: Crisil Intelligence, Choice Institutional Equities

2.1 The Market – India's Steel Demand Is Large, Broad-based and Growing at 7–9% a Year

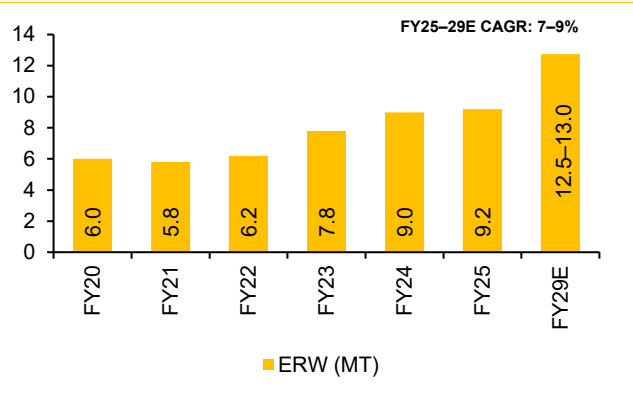
2.1.3 ERW Pipes – SAMBHV's Largest Segment (45% of FY26 Revenue) – Set to Grow ~8.5% a Year

Pipes Offer a Scalable Growth Opportunity, Despite Competition

ERW demand is expected to grow 7–9% p.a., from 9.2 MT in FY25 to 12.5–13.0 MT by FY29E, driven by housing, water and gas infrastructure. The market remains **highly fragmented**, with >50% held by smaller players, keeping competition intense.

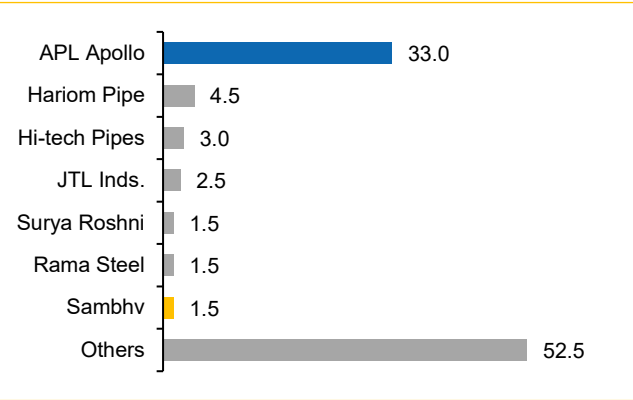
SAMBHV's FY29E volumes imply only ~3.2% market share vs 2.3% in FY25, requiring <1ppt share gain. Net ERW exports further support the domestic opportunity.

ERW Pipes & Tubes Demand (MT)



Source: Crisil Intelligence, Choice Institutional Equities

Domestic ERW Market Share, FY25 (%)



Source: Crisil Intelligence, Choice Institutional Equities

Crisil pegs Sambhv at ~1.5%; our 2.3% uses SAMBHV's structural-pipe tonnes over Crisil's ERW demand.

ERW: Competitive, but Trade Risk Remains Limited

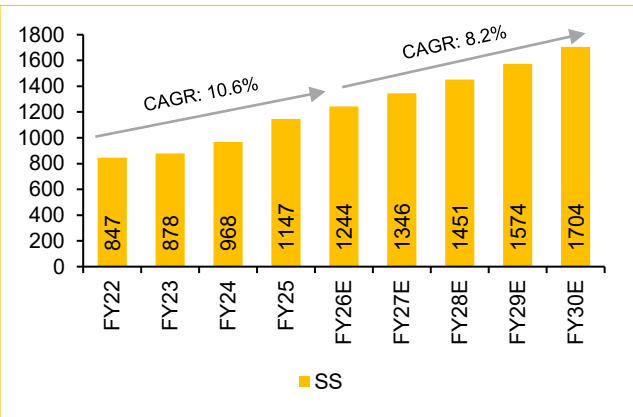
Favourable demand and limited import risk support growth, while fragmentation keeps pricing competitive — making cost leadership critical for sustainable share gains.

ERW exports of 0.58 MT are ~2x imports of 0.29 MT, with ~79% of imports from China, making trade pressure relatively limited versus HR steel. Fragmentation offers room for share gains but keeps pricing competitive, reinforcing the importance of SAMBHV's cost position.

Steady demand, fragmented competition and limited share requirements. Next: Stainless steel — the key mix upgrade.

2.1.4 India's SS Market – INR 1.1 Tn Today, Heading to INR 1.7 Tn by FY30E

India SS Market Set for 8.2% CAGR through FY30 (in INR Bn)



Flat vs Long SS Products

	Flat	Long
Products	Sheets, coils, plates	Bars, rods, wires
Share, FY26E	~75%	~25%
CAGR FY26–30E	7.9%	9.0%
Demand	Diversified, stable	More cyclical, capex-led
End uses	Appliances, auto, food, chemicals	Construction, infra, defence

Source: CareEdge Research, Avtar Steel DRHP, Choice Institutional Equities

2.1 The Market – India's Steel Demand is Large, Broad-based and Growing at 7–9% a Year

Stainless Steel: Key Mix-upgrading Opportunity

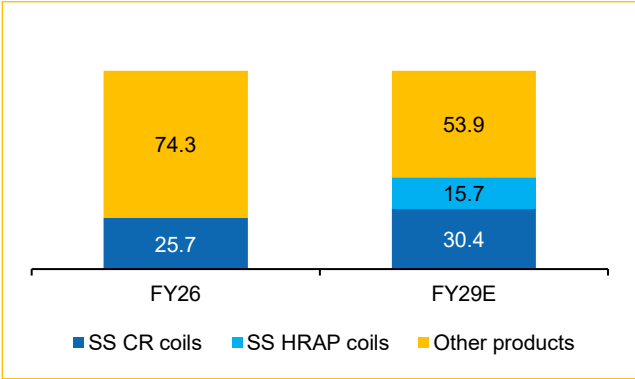
SS offers a meaningful mix upgrade and growth headroom; execution at Kesda is the key monitorable

India's stainless-steel market grew at a **10.6% CAGR** in **FY22–25** to ~**INR 1,147 Bn** and is expected to grow at an **8.2% CAGR** to ~**INR 1,704 Bn** by **FY30E**, driven by **railways, metros, construction, appliances and renewables**. **Flat products** account for ~**75% of demand**, directly aligning with **SAMBHV's** product portfolio.

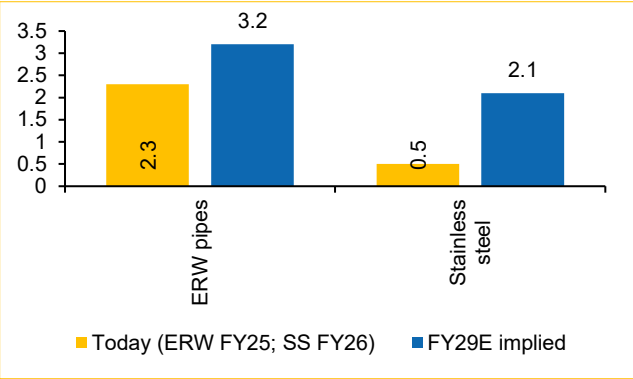
SS is expected to increase from **26% of FY26 revenue** to **46% by FY29E**, while **SAMBHV** would still account for only ~**2% of the domestic SS market**.

2.1.6 What Sambhv Needs from the Market Is Modest

Sambhv Revenue Mix, FY26 vs FY29E (%)



Sambhv's Implied Share of Domestic Market (%)



Source: Crisil Intelligence, CareEdge Research, Choice Institutional Equities. SS share = Sambhv SS revenue over total SS market value (approximate).

Two-part Market: Stable Pipes, Higher-value Stainless

Sambhv operates across **steady-volume pipes** and **higher-value stainless steel**. With **FY29E EBITDA/t** of ~**INR 17,000** for **SS CR coils** vs ~**INR 7,500** for **ERW pipes**, even modest SS share gains can **meaningfully improve the revenue and profit mix**.

Key Risks:

- **Asian HR imports** could pressure steel prices and pipe spreads
- **Fragmented ERW market** may limit margin expansion
- **SS spreads are volatile**, with **INR 15,000–16,000/t EBITDA** at full utilisation remaining a target
- **Demand estimates depend on sustained government capex** and could soften if spending slows

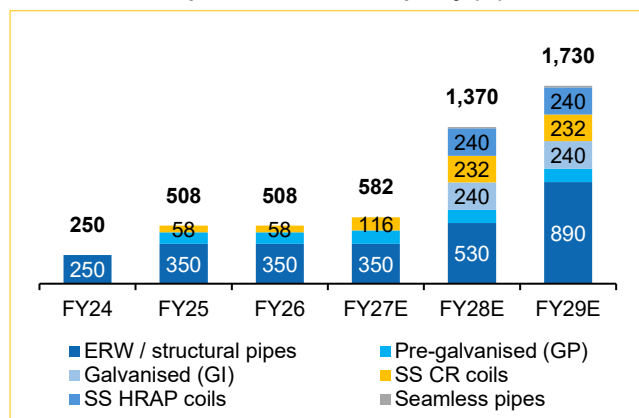
2.2 Growth Engine – INR 20.5 Bn of Capex Lifts 3.4x Capacity

SAMBHV is entering into a transformative growth cycle backed by an aggressive **INR 20.5 Bn capex plan over FY27E–29E**, which expands its **finished-product capacity 3.4x, from 508 kt to 1,730 kt**. The expansion — centred around the flagship Kesda facility — underpins a **33.2% volume CAGR (FY26–FY29E) to 937 kt by FY29E**.

Importantly, our financial model assumes a conservative **blended capacity utilisation of just 49–54% in FY28E–29E (down from 78% in FY26)**, leaving substantial operational headroom for sustained long-term growth beyond the explicit forecast period. While FY27E will bear the initial drag of peak capex deployment, **capacity commissioning from FY28E will unlock operating leverage and propel revenue at a 44.9% CAGR (FY26–FY29E) to INR 73.4 Bn by FY29E**.

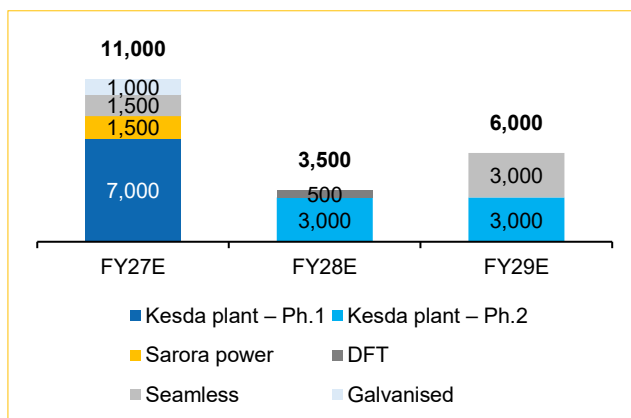
2.2.1 Capacity Build-up: INR 20.5 Bn of Capex Lifts Finished Capacity from 508 kt to 1,730 kt

INR 20.5 Bn of Capex Lifts Finished Capacity (kt)



Source: SAMBHV, Choice Institutional Equities

Capex by Project (INR Mn) – FY27E is the Heavy Year



Source: SAMBHV, Choice Institutional Equities

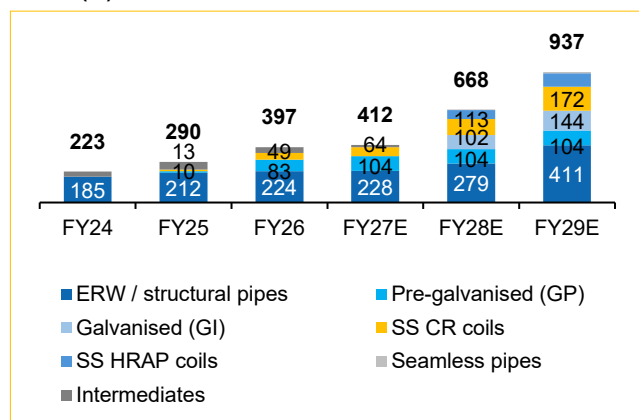
Note: FY30E capex of INR 8.5 Bn (Kesda Ph.3, seamless) is outside our FY29E forecast window.

Kesda is the Centerpiece

Capex of INR 20.5 Bn over FY27E–29E (INR 11.0 / 3.5 / 6.0 Bn) lifts finished capacity 3.4x. **Kesda phases 1 and 2 take INR 13 Bn**, with **seamless (INR 4.5 Bn)**, **Sarora captive power (INR 1.5 Bn)**, **galvanising (INR 1.0 Bn)** and **DFT (INR 0.5 Bn)** making up the rest. ERW/structural capacity rises from 350 to 890 kt, and the GI, SS HRAP and seamless lines are new. Kesda Phase 1 is targeted for Q4FY27, with civil work under way and equipment ordered.

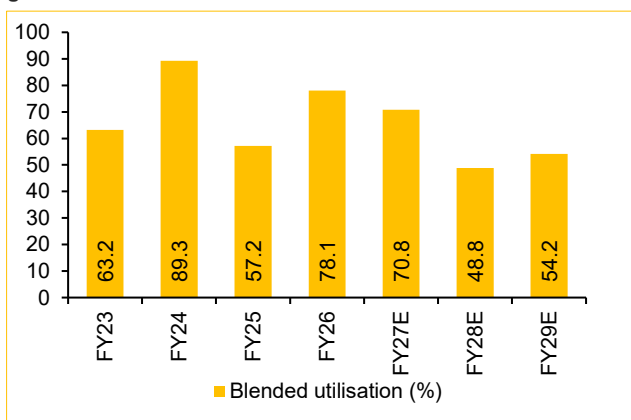
2.2.2 Volumes Compound at 33% p.a.; Utilisation to Stand at Mid-level

Sales Volume to compound at ~33.2% CAGR over FY26–FY29E (kt)



Source: SAMBHV, Choice Institutional Equities

Utilisation to stand at mid-level, providing headroom for growth



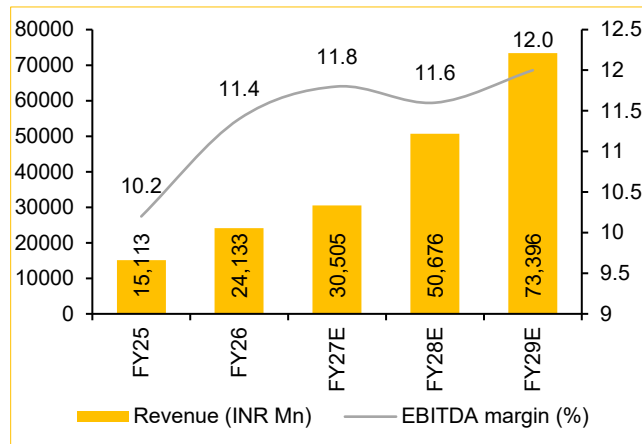
Source: SAMBHV, Choice Institutional Equities

2.2 Growth Engine – INR 20.5 Bn of Capex Lifts 3.4x Capacity

Growth Supported by Capacity Headroom

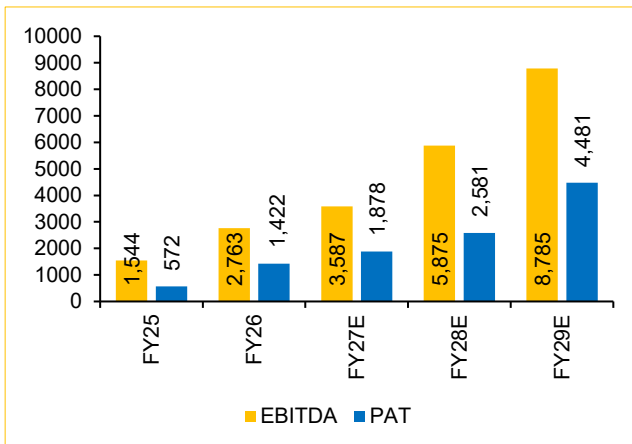
Even by FY29E, **blended utilisation is estimated at only 54%**, leaving **~46% capacity headroom** to support further volume growth. Realisation growth is **mix-driven rather than reliant on an increase in steel price**, with increasing contribution from **stainless steel, galvanised and seamless products**.

FY28E Revenue Hike Owing to New Capacity Operations



Source: SAMBHV, Choice Institutional Equities

Profitability Growth Supported by Operating Leverage

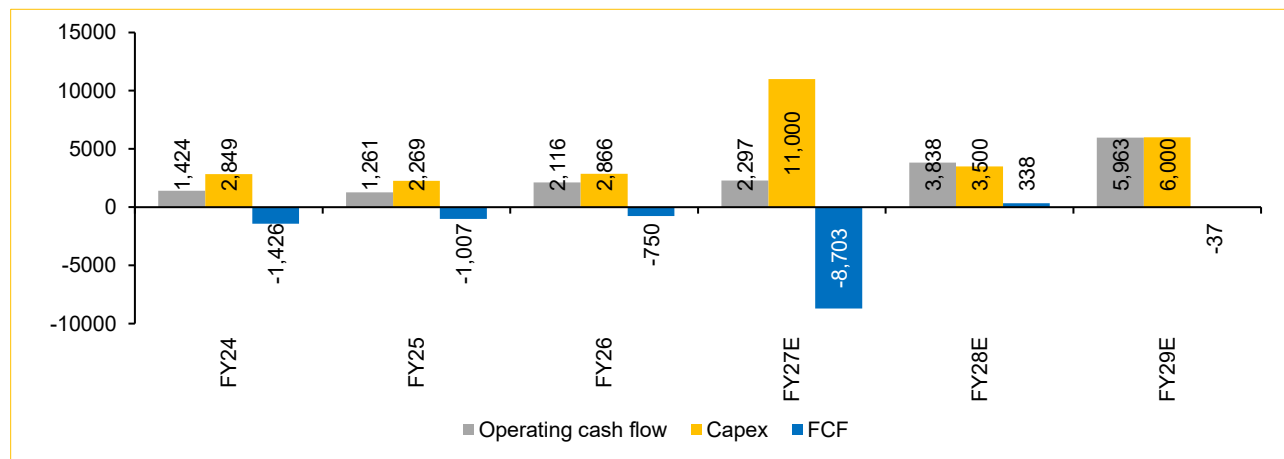


Source: SAMBHV, Choice Institutional Equities

New Capacity Operations Drive Revenue Surge and Operating Leverage

Driven by new operational capacities and operating leverage, **revenue is projected to surge from INR 15,113 Mn in FY25 to INR 73,396 Mn by FY29E**. Concurrently, **EBITDA margin is expected to expand from 10.2% in FY25 to 12.0% in FY29E**, pushing absolute EBITDA from INR 1,544 Mn to INR 8,785 Mn. Supported by operational efficiency, **PAT is set to scale up nearly eightfold, from INR 572 Mn in FY25 to INR 4,481 Mn by FY29E**.

Debt-funded Through FY29E – The Key Monitorable (INR Mn)



Source: SAMBHV, Choice Institutional Equities

Capex Largely Self-funded, with Near-term Working Capital Drag

Cumulative **FY27E–29E CFO of INR 11.9 Bn** is expected to fund **~58% of the INR 20.5 Bn capex**, with the balance met through **INR 10.8 Bn net borrowings** and **~INR 1.0 Bn equity**. We assume **~INR 3.4 Bn WC cash outflow** and near-term pressure on cash generation.

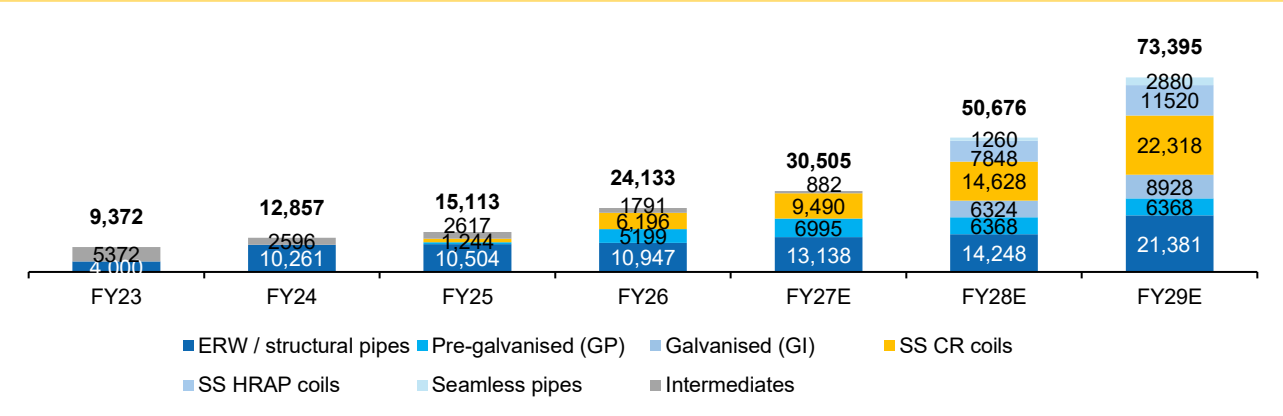
2.3 The Payoff – Value-added Mix Shift Enhances Profit Pool

Beyond sheer volume growth, **SAMBHV’s earnings trajectory is anchored by a structural shift towards high-value, margin-accretive product categories.** Commercialisation of new lines — such as **Seamless pipes earning INR 45,000/t EBITDA, SS CR coil earning INR 17,000/t and Galvalume (GAL) coils/pipes earning INR 5,000/t** — will lift overall blended EBITDA per tonne from INR 6,901 in FY26 to INR 9,377 by FY29E.

Backed by single-site integrated operations and captive power cost advantages, EBITDA and PAT are projected to compound at 47% CAGR each (FY26–FY29E) to reach INR 8,785 Mn and INR 4,481 Mn, respectively, by FY29E. As new assets start earning full revenue, **return ratios will rebound sharply, pushing ROE back to ~25%.**

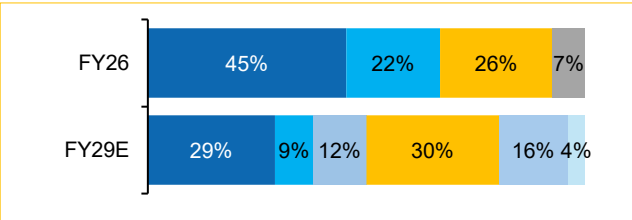
2.3.1 Mix Shift: From Selling Intermediates to Selling Value-added Products

Revenue by Segment (INR Mn) – New Product Lines Broaden the Base



Source: SAMBHV, Choice Institutional Equities

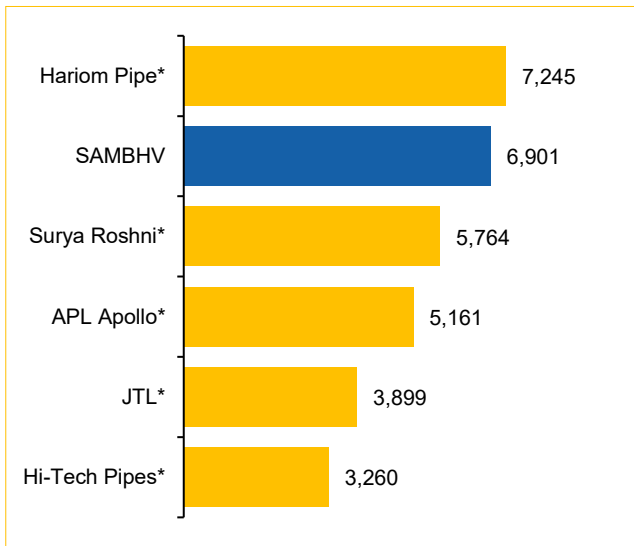
Revenue Mix, FY26 vs FY29E (%)



Source: SAMBHV, Choice Institutional Equities

Run-rate check: Q1FY27 alone delivered 25.1% of our FY27E revenue and 28.5% of FY27E EBITDA. FY27E is a consolidation year – new capacity commissions from FY28E – so the estimates leave room for upside from the current run-rate.

FY26 EBITDA per tonne vs Peers (INR)



*Not Covered
Source: SAMBHV, Choice Institutional Equities

A single-site chain from sponge iron to pipes gives a structural cost edge, which shows up in EBITDA per tonne. SAMBHV runs sponge iron (280 kt), blooms and slabs (300 kt mild steel plus 60 kt stainless), HR coils (~450 kt), CR/GP/GAL coils and pipes at a Chhattisgarh site, including a niche narrow-width HR coil, so it depends less on bought-in coil. Captive power (WHRB and AFBC) costs ~INR 4–5 per unit against ~INR 8–9 from the grid and the INR 1.5 Bn Sarora project extends as volumes grow.

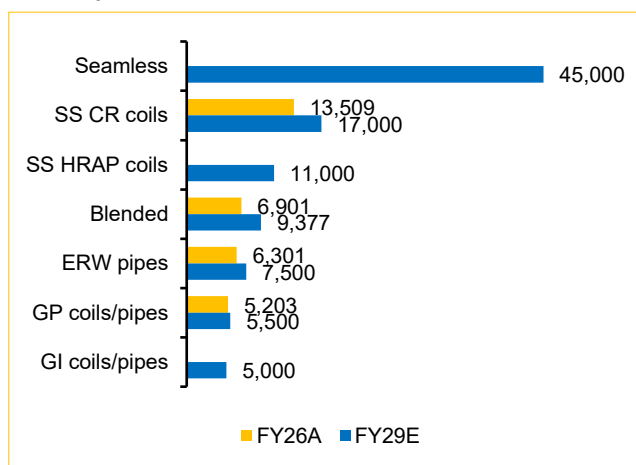
2.3 The Payoff – Value-added Mix Shift Enhances Profit Pool

2.3.2 Growth Roadmap, by Product (FY29E)

Product	Capacity FY26→FY29E (kt)	Volume FY29E (kt)	Realisation (INR k/t)	EBITDA/t (INR)	EBITDA (INR Mn)
ERW / structural pipes	350 → 890	411	52	7,500	3,084
GP coils & pipes	100 → 116	104	61	5,500	574
GAL coils & pipes	0 → 240	144	62	5,000	720
SS CR coils	58 → 232	172	130	17,000	2,919
SS HRAP coils	0 → 240	96	120	11,000	1,056
Seamless pipes	0 → 12	10	300	45,000	432
Total / blended	508 → 1,730	937	78.3	9,377	8,785

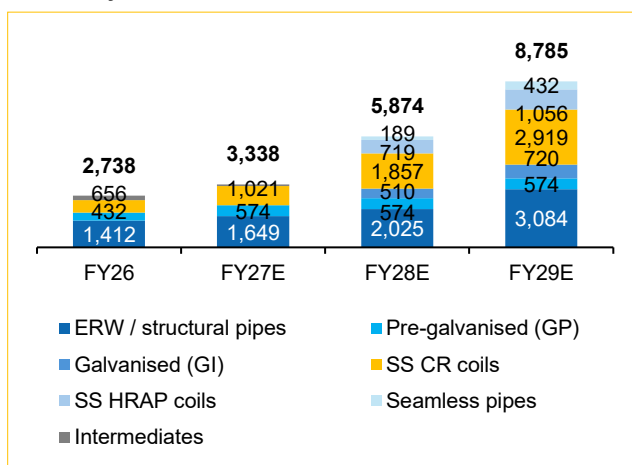
Source: SAMBHV, Choice Institutional Equities

Unit Economics: The New Lines Earn Materially More EBITDA per Tonne



Source: SAMBHV, Choice Institutional Equities

Profit Pool Diversifies: No Single Segment Above ~35% of EBITDA by FY29E



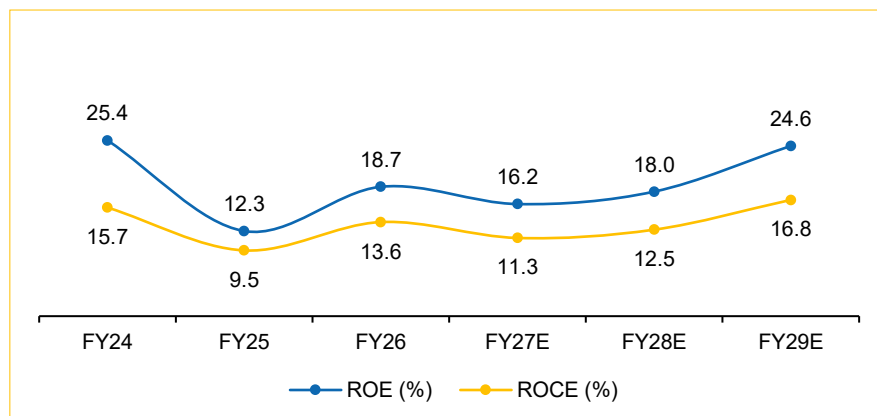
Source: SAMBHV, Choice Institutional Equities

Mix Upgrade to Drive Earnings

SAMBHV is entering a strong growth phase, with capacity scaling 3.4x to 1,730kt from 508kt, supporting a 45% revenue CAGR through FY29E. The key earnings lever is **mix-led margin expansion**, with high-value **Seamless pipes** and **SS HRAP coils** delivering EBITDA of INR 45,000/t and INR 11,000/t, respectively. This should lift **blended EBITDA/t** from INR 6,901 in FY26 to INR 9,377 by FY29E, driving **EBITDA** from INR 2.7bn to INR 8.8 Bn. With 937kt expected volumes and no segment contributing >35% of EBITDA, the **fully funded expansion offers strong visibility on earnings growth and improving returns.**

Returns Recover as New Assets Start to Earn

After a temporary dip in FY27E to 16.2% (ROE) and 11.3% (ROCE) during peak capex deployment, return ratios rebound sharply to 24.6% and 16.8%, respectively, by FY29E as newly commissioned assets begin generating full revenue.



Source: SAMBHV, Choice Institutional Equities

3.1 Peer Analysis

SAMBHV delivers superior operating efficiencies, with a FY26 EBITDA per tonne of INR 6,963—outperforming peers—along with industry-leading growth metrics (FY26–28E Revenue/EBITDA CAGR of ~45%/46%). While we currently value SAMBHV conservatively at 10x target EV/EBITDA, we adopt a 'wait-and-watch' stance on the execution of its high-margin Stainless Steel (SS) expansion. **Successful commissioning and volume ramp-up in the SS segment present strong potential for multiple expansion and structural re-rating toward market leaders.**

Operating Metrics:	Category	FY26				
		Capacity (MT)	Capacity Utilisation (%)	Blended Sales Volume (MT)	Blended Realisation per tonne (INR)	Blended EBITDA per tonne (INR)
Company Name (Consol)						
APL Apollo Tubes*	Steel Pipes & Structural Tubes	5.0	69.8	3.5	66,110	5,161
Surya Roshani*	Steel Pipes & Lighting / Consumer Durables	1.4	59.5	0.8	89,173	5,764
Sambhv Steel Tubes	Steel Pipes & Structural Tubes	0.5	78.1	0.4	60,830	6,963
JTL Industries*	Steel Pipes & Structural Tubes	0.6	62.2	0.4	53,962	3,899
Hi-Tech Pipes*	Steel Pipes & Structural Tubes	1.0	50.7	0.5	78,884	3,260
Hariom Pipe Industries*	Steel Pipes & Scaffolding & Iron Products	0.5	55.5	0.3	57,680	7,245

*Not Covered

**Surya Roshni Total Sales include Consumer Durable Sales

Blended Realisation = Total Sales/Blended Sales Volume

Source: Company, Choice Institutional Equities

Financial Metrics:	3 years CAGR over FY23-FY26 (%)			3 years CAGR over FY26-FY28E (%)			FY26 EBITDA Margin (%)	FY26 PAT Margin (%)	FY26 ROE (%)	FY26 ROCE (%)	FY26 Total Asset Turnover (x)
	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT					
Company Name (Consol)											
APL Apollo Tubes*	12.6	20.8	23.3	17.1	17.8	21.0	7.8	5.2	25.3	21.4	2.8
Surya Roshani*	(1.9)	(7.4)	(5.2)	12.5	26.9	NA	6.5	3.8	11.2	8.8	2.2
Sambhv Steel Tubes	37.1	33.1	33.9	44.9	45.8	33.5	11.4	6.0	18.7^	13.6^	1.4
JTL Industries*	11.3	6.1	3.0	35.0	47.2	49.7	7.2	4.6	7.2	6.5	1.3
Hi-Tech Pipes*	20.7	18.9	21.4	18.9	22.9	23.8	4.1	1.8	5.9	7.5	2.2
Hariom Pipe Industries*	37.3	36.7	17.9	NA	NA	NA	12.6	4.5	12.4	10.2	1.4
Median							7.5	4.6	11.8	9.5	1.8

*Not Covered

^ROE & ROCE is expected to improve to 24.8% & 16.9% by FY29E respectively

Source: Company, Bloomberg Estimates, Choice Institutional Equities

Valuation Metrics:	CMP (INR)	MCap (in Mn)	FY26 EV (in Mn)	FY26 EV/SALES (x)	FY26 P/E (x)	FY26 P/B (x)	FY26-FY29E Peg ratio (x)
Company Name (Consol)							
APL Apollo Tubes*	2,200	6,10,848	6,06,963	2.6	50.8	11.5	2.4
Surya Roshani*	220	47,880	44,148	0.6	16.8	1.8	NA
Sambhv Steel Tubes	153	45,085	46,995	1.9	31.1	4.3	0.9
JTL Industries*	89	34,984	36,980	1.7	35.5	2.3	0.7
Hi-Tech Pipes*	74	15,030	16,835	0.4	19.7	1.1	0.8
Hariom Pipe Industries*	344	10,653	14,665	0.9	14.1	1.6	NA
Median				1.9	30.5	4.2	

*Not Covered

Source: FactSet, Bloomberg Estimates, Choice Institutional Equities

Valuation Metrics:	EV/EBITDA			P/E		
	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Company Name (Consol)						
APL Apollo Tubes*	33.7x	28.8x	24.3x	50.8x	42.3x	34.7x
Surya Roshani*	9.1x	6.6x	5.6x	16.8x	NA	NA
Sambhv Steel Tubes#	17.1x	15.7x	9.8x	31.3x	24.2x	18.1x^
JTL Industries*	24.0x	15.1x	11.1x	35.5x	22.0x	15.8x
Hi-Tech Pipes*	9.7x	7.9x	6.4x	19.7x	16.6x	12.9x
Hariom Pipe Industries*	7.0x	NA	NA	14.1x	NA	NA
Median	17.0x	14.1x	8.0x	31.1x	34.5x	26.1x

*Not Covered

^after considering Warrants

#Future EV is calculated after considering debt raising

Source: FactSet, Bloomberg Estimates, Choice Institutional Equities

3.2 Key Investor Questions Answered

Sambhv is transitioning from a conventional ERW player to an integrated, value-added steel platform, with backward integration and rising GP/SS contribution

The 360K MTPA Kesda SS project is the key medium-term catalyst, with commissioning targeted for Q4FY27 and potential SS EBITDA/t of INR 15,000–16,000

Existing business provides a 10–15% FY27 volume growth bridge, while capacity expansion creates significant headroom for FY28–29E

Q1: What is the core investment thesis for SAMBHV?

Ans: SAMBHV is transitioning from an integrated MS/ERW pipe manufacturer toward a **higher-value steel products platform**, driven by backward integration, Coated Steel products and stainless steel. The key earnings catalyst is the **180K MTPA ERW (Sarora Unit)** along with **360K MTPA Kesda SS project**, which could materially increase both scale and EBITDA/t.

Q2: What differentiates Sambhv from other ERW pipe manufacturers?

Ans: **Backward integration is the key differentiator.** SAMBHV manufactures its own HR coils from sponge iron, reducing dependence on external coil purchases and improving cost competitiveness. The company is also moving toward higher-margin Coated Steel and SS products, supporting better blended EBITDA/t.

Q3: Why is Kesda critical to the growth story?

Ans: Kesda Phase-I will add **360K MTPA of SS HRAP/CRBA Coil capacity**, with commissioning targeted for Q4FY27. Management expects SS EBITDA/t of **INR 15,000–16,000 at full utilisation**, making the project potentially transformational versus FY26 EBITDA of INR 2,760 Mn.

Q4: How sustainable is the company's margin expansion?

Ans: Margin expansion is expected to come primarily from **better product mix and backward integration**, rather than steel-price inflation. FY26 EBITDA/t improved to ~INR 6,970, while Q4FY26 core EBITDA/t reached INR 9,512 excluding sponge iron. **Also, CPP to support margins.** Management guides **FY27 EBITDA/t to INR 7,500–8,500.**

Q5: What is the potential of the stainless-steel business?

Ans: SS is the company's key higher-margin growth opportunity. SAMBHV currently produces around **1,200–1,300 tonnes/month of 300-series SS Coil & balance 4,700–4,800 tonnes/month of 200 series SS Coil**. Kesda would significantly expand this opportunity through integrated SS HRAP and CRBA Coil production.

Q6: Can Sambhv achieve its FY27 growth without Kesda?

Ans: Yes. Existing ERW capacity is already highly utilised, while the **SS CRM doubling to 116K MTPA**. Management has guided for **10–15% volume growth in FY27** from the existing business, providing a near-term growth bridge before Kesda ramps up.

Q7: Is the balance sheet a concern given the Kesda capex?

Ans: Leverage will increase during the project cycle. Management expects peak debt of around **INR 8,000 Mn long-term debt plus INR 2,000–3,000 Mn working-capital debt**. The key monitorable is whether Kesda ramps up quickly enough to support deleveraging and maintain capital efficiency.

Q8: How vulnerable is Sambhv to steel-price volatility?

Ans: Backward integration reduces HR coil price exposure but does not eliminate steel-cycle risk. Falling steel prices can create inventory and realisation pressure, while higher raw-material prices can affect costs. Hence, **spread management and inventory discipline remain important margin drivers.**

Q9: What is the key risk to the SS opportunity?

Ans: The principal risks are **Kesda execution, SS price volatility and competitive capacity additions**. A sharp decline in SS spreads could materially reduce the targeted EBITDA/t, while delays in commissioning could increase interest and depreciation costs before earnings ramp up.

Q10: What should investors monitor over the next 12–18 months?

Ans: The key monitorables are **Kesda commissioning, SS customer/offtake ramp-up, 300-series production, 30 MW Sarora Captive Power Plant, 180,000 tonne ERW pipe mill through DFT route, FY27 volume growth, EBITDA/t, capex spend and peak debt**. Ultimately, the investment case depends on whether Sambhv can convert its planned capacity expansion into **higher-margin growth without compromising balance-sheet discipline.**

3.3 Key Insights from Plant Visit and Management Interaction

The **360K MTPA Kesda project**, targeted for Q4FY27 commissioning, is the key catalyst for SAMBHV's transition into a larger SS platform

Combined with **Vision 2030's 2.03 MTPA capacity target**, **150 MW CPP** successful execution could materially reshape the company's scale and earnings profile

Expansion in **SS CRM, Coated and 300-series stainless steel** is shifting the portfolio toward higher-value products with better unit economics

The **116K MTPA SS CRM capacity ramp-up** should support mix improvement and incremental margin expansion

1. Integrated Manufacturing Platform

- Fully integrated manufacturing chain spanning **sponge iron → billets/blooms → HR coils → CR/GP products → ERW & SS Coil**
- Backward integration reduces dependence on external HR coil procurement and provides better control over input costs
- Integration is a key driver of the company's improving **EBITDA/t and product economics**

2. Captive Power Supports Structural Cost Advantage

- Captive power generation through **WHRB and AFBC** provides lower-cost electricity for manufacturing
- Management indicates captive power cost of **~INR 4–5/unit** versus **~INR 8–9/unit** from the grid
- This creates a meaningful cost advantage as production volumes scale up

3. SS CRM Expansion Unlocks Value-Added Growth

- SS CRM capacity has increased from **58K MTPA to 116K MTPA**, with CTO received in May 2026
- Higher CRM capacity removes the earlier bottleneck in manufacturing **thin-gauge CR coils**
- This supports further expansion in **stainless-steel products**

4. Increasing Focus on Value-Added Products

- Company is progressively moving from conventional **MS pipes towards Coated and stainless-steel products**
- SS manufacturing benefits from **in-house Slab manufacturing, HR, HRAP and CRBA capabilities**, enabling production of higher-value products
- The strategy is aimed at improving product mix and lifting overall unit economics

5. Kesda – Key Growth & Execution Catalyst

- **Phase 1 commissioning remains targeted for Q4FY27**
- Civil work is progressing and equipment ordering has been completed
- Kesda will strengthen the company's presence in **stainless steel**, with SS HRAP coils forming an important part of the planned product portfolio

6. SS 300-Series Ramp-up Underway

- Current production of **SS 300-series SS Coil** stands at **~1,200–1,300 tonnes/month**. Balance **4,700–4,800 tonnes/month** of **200 series SS Coil**
- Initial traction in 300-series provides an early indication of the company's ability to penetrate higher-value SS applications

7. Growth Guidance Backed by Existing Capacity

- Management guides for **10–15% volume growth in FY27** from the existing business
- Blended EBITDA/t guidance stands at **INR 7,500–8,500/t**
- Growth is expected to be supported by improving product mix, particularly through higher SS contribution

8. Vision 2030 Targets Significant Scale-up

- Management's Vision 2030 targets **2.03 MTPA total capacity**
- Target mix includes **1.0 MTPA MS pipes, 0.3 MTPA coated products and 0.7 MTPA stainless steel**
- **150MW of Captive Power Plant** covering **100% of production**
- The roadmap indicates a gradual transition towards a larger and more diversified value-added steel platform

3.3 Key Insights from Plant Visit and Management Interaction



Source: SAMBVH, Choice Institutional Equities

3.4 SWOT Analysis

 Strengths	 Weaknesses	 Opportunities	 Threats
High backward integration across steel value chain	Regional manufacturing concentration	1.2 MTPA capacity expansion	Steel price volatility
Strategic Chhattisgarh location lowers logistics costs	Smaller scale vs. large steel players	Rising stainless-steel opportunity	Intense industry competition
Captive power supports cost efficiency	High capex intensity	Shift towards value-added products	Potential capacity oversupply
Diversified product portfolio with value-added products	Commodity price exposure	Infrastructure-led pipe demand	Expansion execution risk

SAMBHV Distinct Strengths Vs Competitors

SAMBHV’s key differentiation lies in its single-location, deeply integrated value chain and niche narrow-width HR coil capability, creating a structural cost and supply-chain advantage

SAMBHV Distinct Weaknesses Vs Competition

High capex intensity and smaller scale vs. larger steel peers, with profitability remaining sensitive to steel-price cycles and execution of ongoing expansions

SAMBHV Distinct Opportunities Vs Competition

Opportunity to scale value-added stainless steel, galvanised and CR products, supported by capacity expansion and rising demand from infrastructure, construction and industrial applications

SAMBHV Distinct Threats Vs Competitors

Steel price volatility and intensifying competition could pressure realisations and margins, while industry-wide capacity additions may increase supply-side pressure

3.5 View and Valuation

We initiate coverage on **Sambhv** with a **BUY** rating and a Base Case target price of **INR 210/share** (10x TTM H1FY29E EV/EBITDA), implying **36.6% upside** from CMP INR 154. Driven by INR 20.5 Bn capex, EBITDA expands at a ~47% CAGR from INR 2.8 Bn in FY26 to INR 8.8 Bn in FY29E. Under our Bull Case, target reaches **INR 256/share** on seamless Kesda commissioning and superior SS spreads. Conversely, our Bear Case yields **INR 152/share** assuming capex execution delays or import margin pressures. At CMP, the stock trades at ~9.7x FY28E and ~7.9x TTM H1FY29E EV/EBITDA (EV is calculated after considering debt raising). Timely execution remains the key valuation upside trigger and risk.

3.5.1 Valuation – 10x EV/EBITDA on TTM H1FY29 EBITDA

Valuation (Consol), INR Mn	FY26	FY27E	FY28E	TTM H1FY29	FY29E
EBITDA	2,763	3,587	5,875	7,560	8,785
Multiple (x)	10.0	10.0	10.0	10.0	10.0
EV	27,626	35,869	58,746	75,595	87,846
Net debt / (cash)	1,870	10,949	11,080	11,779	12,478
Mcap	25,756	24,920	47,666	63,816	75,368
Shares o/s (Mn)	303.4	303.4	303.4	303.4	303.4
Fair value per share (INR)	84.9	82.1	157.1	210.4	248.4
Target price (INR/share)				210.4	
Upside from CMP INR 154				36.6%	

Source: SAMBHV, Choice Institutional Equities. TTM H1FY29 = twelve months to H1FY29, the year-ahead earnings a buyer would look at when our 12-month target falls due.

3.5.3 Sensitivity and Risks

Value per Share (INR); green = above CMP

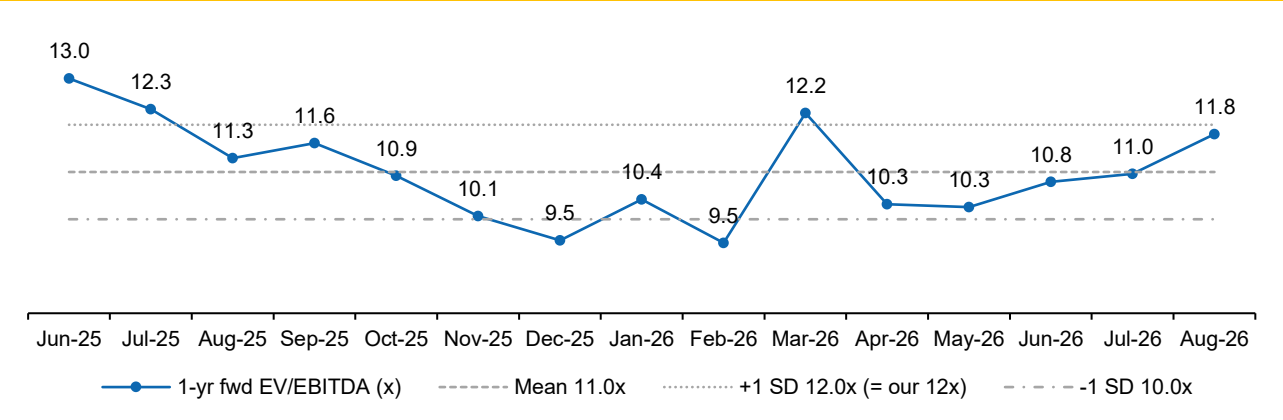
EV/EBITDA	FY28E	TTM H1FY29	FY29E
9x	137	185	219
10x	157	210	248
11x	176	235	277
12x	195	260	306

What could take us wrong: Kesda commissioning later than Q4FY27; stainless spreads below the INR 15,000–16,000/t targeted; cheap HR imports pressuring pipe prices; and borrowing above plan, with peak net debt over INR 12 Bn.

3.5.2 Why 10x, and Where the Upside Comes From

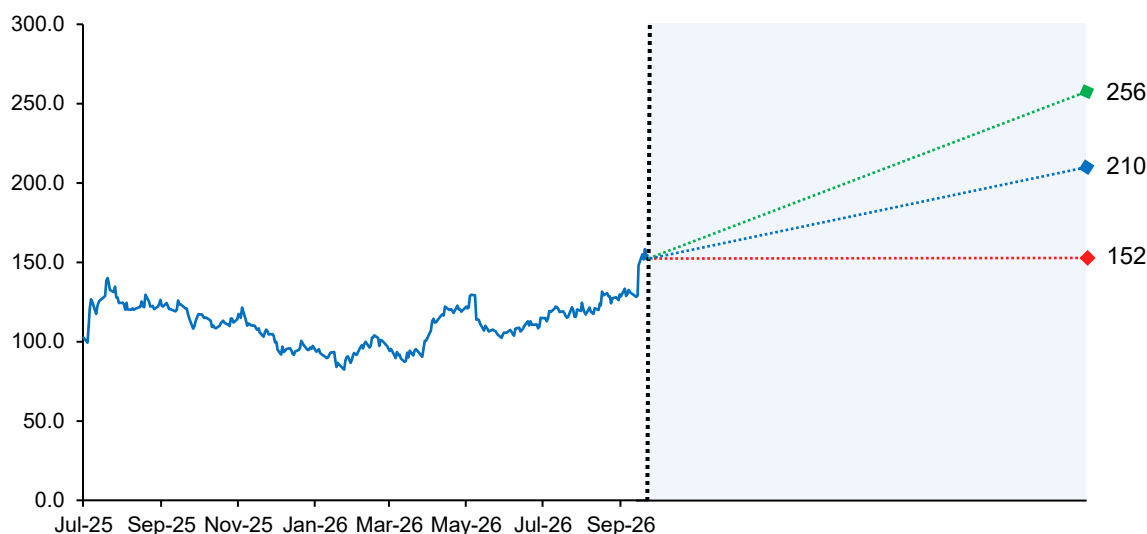
- 1. Below the stock's own average.** Since listing, one-year forward EV/EBITDA has averaged 11.0x (median 10.9x) in a 9.5–13.0x range. 10x is one standard deviation below the mean, so we assume no re-rating.
- 2. On the right year's earnings.** A 12-month target looks one year ahead, so we use TTM H1FY29 EBITDA of INR 7.6 Bn.
- 3. Growth supports 10x, not more.** EBITDA compounds at 47% and ROE recovers to ~25% by FY29E, but net debt rises from INR 1.9 Bn to INR 11.1 Bn in FY27E and free cash flow is close to zero after that.
- 4. The upside is earnings-led.** On FY28E EBITDA the same 10x gives INR 157, only 4% above CMP. The step to INR 210 needs EBITDA to grow 29% as new capacity ramps.

One-year-forward EV/EBITDA Since Listing (x)



Source: SAMBHV, Choice Institutional Equities

3.6 Bull / Bear Case



We test the case on TTM H1FY29E, the first year in which Kesda and the new capacity contribute meaningfully. We flex only two things – volumes (+10%/-15%) and EBITDA per tonne (+7.5%/-10%).

BEAR CASE
INR 152

-1.4% vs CMP INR 154

BASE CASE
INR 210

+36.6% vs CMP INR 154

BULL CASE
INR 256

+66.1% vs. CMP INR 154

3.6.1 What Has to Happen, and What It Is Worth

Particulars	Bear	Base	Bull
What has to happen	Kesda ramp slips; SS spreads compress; ERW price competition bites	Kesda commissions around Q4FY27; volumes and mix as in our model	Kesda ramps on time; SS 300-series wins share; spreads hold
Volume vs base	-15%	–	10%
Blended volume (kt)	703	827	910
Utilisation of finished capacity	51.3%	60.4%	66.4%
EBITDA per tonne (INR)	8,223	9,136	9,822
Revenue (INR Mn)	54,776	64,442	70,886
EBITDA (INR Mn)	5,783	7,560	8,939
EBITDA margin	10.6%	11.7%	12.6%
Net debt (INR Mn)	11,779	11,779	11,779
EV/EBITDA	10.0x	10.0x	10.0x
Equity value (INR Mn)	46,052	63,816	77,613
Value per share (INR)	152	210	256
Upside / (downside) vs CMP	-1.4%	36.6%	66.1%

Source: SAMBHV, Choice Institutional Equities

4.1 Financials and Ratio Analysis

Income Statement (Consolidated INR Mn)

Particulars	FY25	FY26	FY27E	FY28E	FY29E
Revenue	15,113	24,133	30,505	50,676	73,396
Gross Profit	4,468	6,914	8,785	14,696	22,166
EBITDA	1,544	2,763	3,587	5,875	8,785
Depreciation	344	484	536	1,265	1,523
EBIT	1,201	2,279	3,051	4,609	7,262
Other Income	53	72	79	51	73
Interest Expenses	473	413	626	1,219	1,361
RPAT	572	1,422	1,878	2,581	4,481
EPS (INR)	2.4	5.1	3.1	4.2	7.3

Ratio Analysis	FY25	FY26	FY27E	FY28E	FY29E
Growth Ratios (%)					
Revenue	17.5	59.7	26.4	66.1	44.8
EBITDA	(3.4)	78.9	29.8	63.8	49.5
PAT	(30.6)	148.6	32.1	37.4	73.6
Margins (%)					
EBITDA	10.2	11.4	11.8	11.6	12.0
EBIT	7.9	9.4	10.0	9.1	9.9
PAT	3.8	6.0	6.2	5.1	6.1
Profitability (%)					
ROE	12.3	18.7	16.2	18.0	24.6
ROIC	9.9	14.8	12.4	13.4	17.9
ROCE	9.5	13.6	11.3	12.5	16.8
Valuation					
Mcap/Sales (x)	2.5	1.9	1.5	0.9	0.6
EV/EBITDA (x)*	27.2	17.1	15.7	9.8	6.7
P/BV (x)	7.5	4.3	3.6	2.9	2.3
Working Capital Days					
Debtors Days	35.5	33.7	28.5	28.5	28.5
Inventories Days	87.1	93.8	73.8	73.8	73.8
Creditors Days	111.3	117.5	82.8	82.8	82.8
Working Capital Cycle Days	11.3	10.0	19.6	19.6	19.6

Balance Sheet (Consolidated INR Mn)

Particulars	FY25	FY26	FY27E	FY28E	FY29E
Tangible Fixed Assets	7,491	7,310	17,773	20,008	24,485
Capital WIP	858	1,918	1,918	1,918	1,918
Goodwill	6	6	6	6	6
Investments	-	1,001	1,001	1,001	1,001
Cash & Cash Equivalents	163	842	763	833	935
Loans Advance & Other Assets	1,518	2,930	2,930	2,930	2,930
Net Working Capital	764	1,109	1,851	3,078	4,480
Total Assets	10,799	15,115	26,243	29,773	35,754
Shareholder's Funds	4,953	10,536	12,664	15,995	20,476
Deferred Tax	302	386	386	386	386
Borrowings	5,044	3,713	12,713	12,913	14,413
Other Liabilities & Provisions	499	480	480	480	480
Total Equity & Liabilities	10,799	15,115	26,243	29,773	35,754

Cash Flows (INR Mn)	FY25	FY26	FY27E	FY28E	FY29E
Cash Flows from Operations	1,261	2,116	2,297	3,838	5,963
Cash Flows from Investing	(2,332)	(3,961)	(11,000)	(3,500)	(6,000)
Cash Flows from Financing	1,045	2,412	8,624	(269)	139

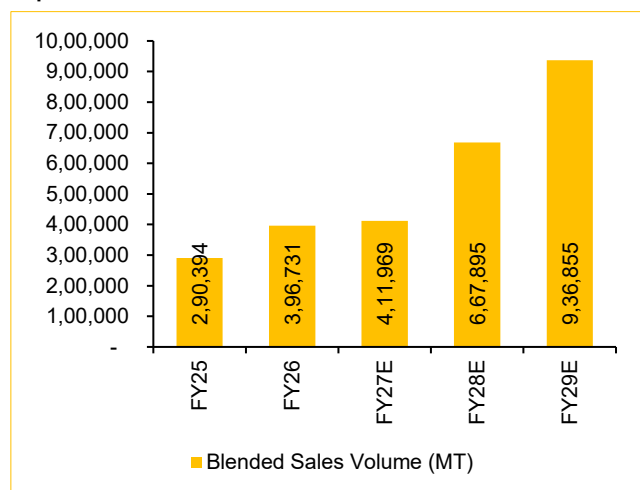
DuPont Analysis	FY25	FY26	FY27E	FY28E	FY29E
Tax Burden (x)	0.73	0.76	0.75	0.75	0.75
Interest Burden (x)	0.65	0.83	0.82	0.75	0.82
EBITM (%)	7.95	9.44	10.00	9.10	9.89
Asset Turnover (x)	1.29	1.39	1.18	1.47	1.72
Equity Multiplier (x)	2.51	2.24	2.23	2.41	2.34
DuPont Analysis (%)	12.3	18.7	16.2	18.0	24.6

Source: SAMBHV, Choice Institutional Equities

*Future EV is calculated after considering debt raising
Source: SAMBHV, Choice Institutional Equities

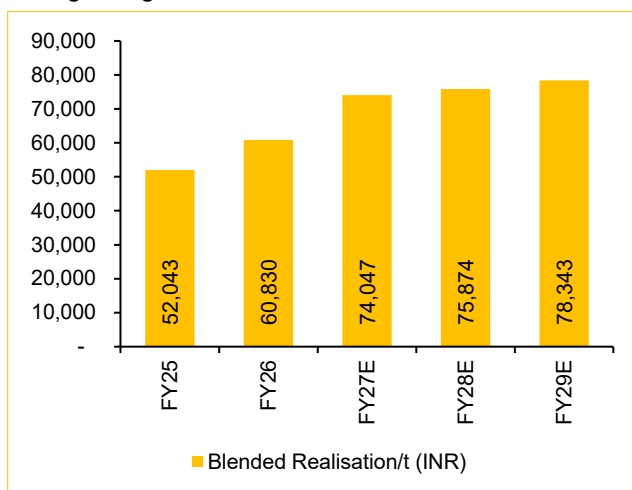
4.2 Graphs and Trends

Volume Witnessing Strong Scale-up Driven by Capacity Expansion



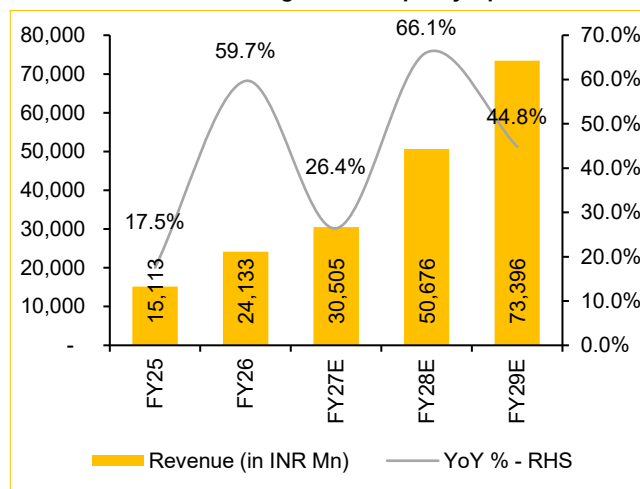
Source: SAMBHV, Choice Institutional Equities

Pricing Strength Sustains Net Realisations



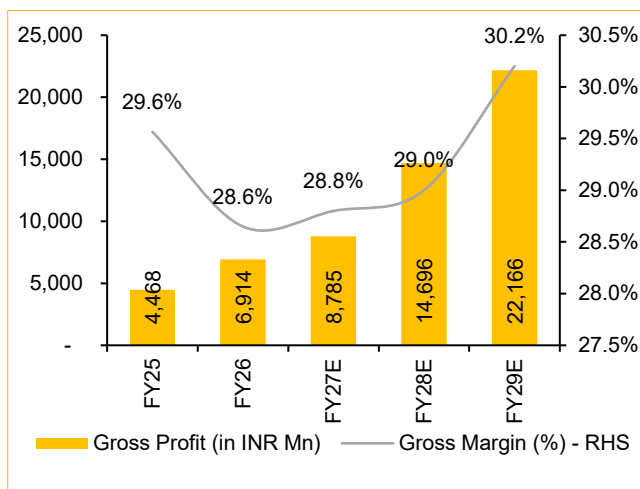
Source: SAMBHV, Choice Institutional Equities

FY28E Revenue Hike Owing to New Capacity Operations



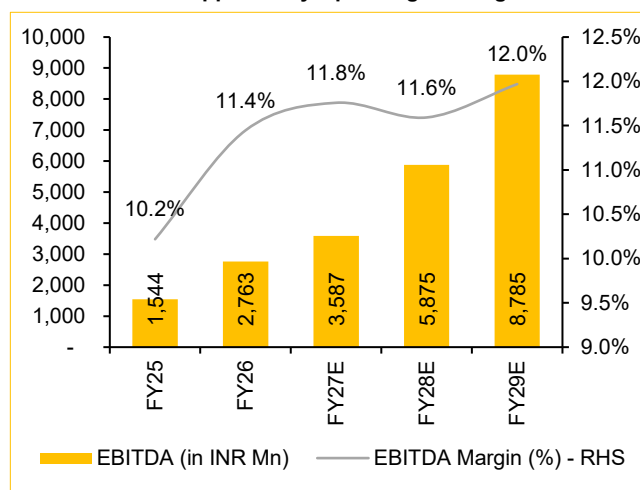
Source: SAMBHV, Choice Institutional Equities

Gross Profit Momentum Remains Intact



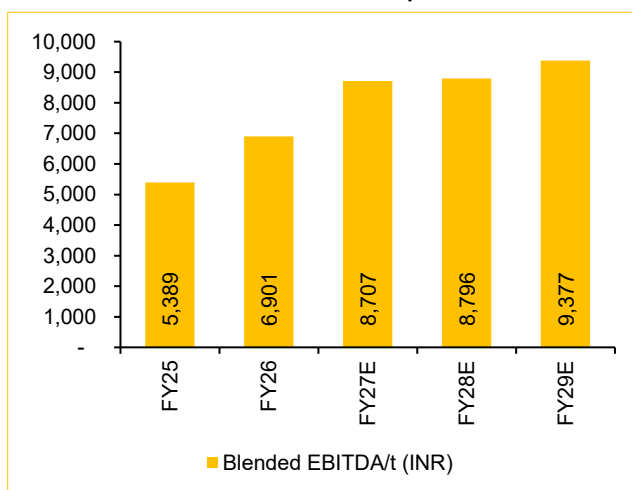
Source: SAMBHV, Choice Institutional Equities

EBITDA Growth Supported by Operating Leverage



Source: SAMBHV, Choice Institutional Equities

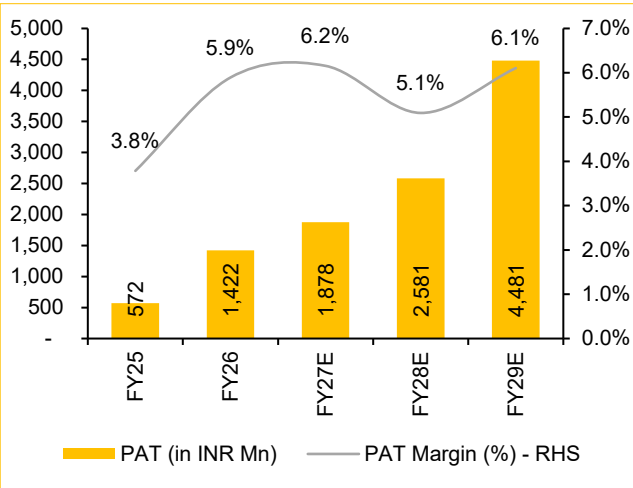
Blended EBITDA/t Rebounds on Cost-optimisation



Source: SAMBHV, Choice Institutional Equities

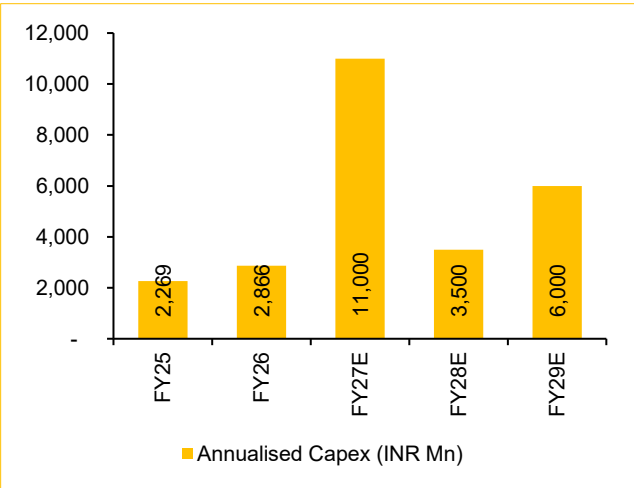
4.2 Graphs and Trends

PAT Maintains a Strong Growth Trajectory



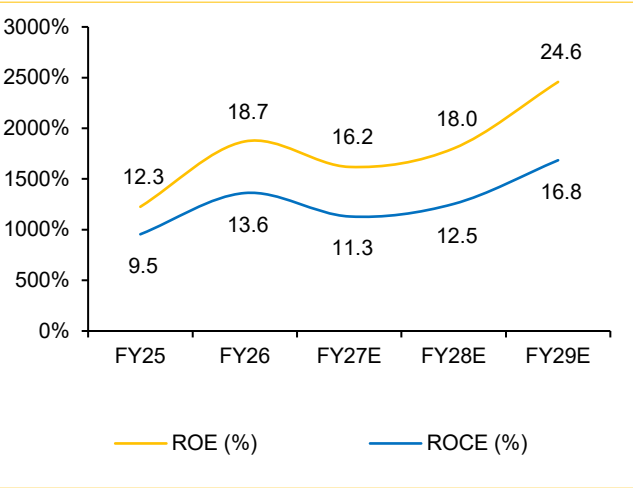
Source: SAMBHV, Choice Institutional Equities

Disciplined Capex Allocation Supports Long-term Growth



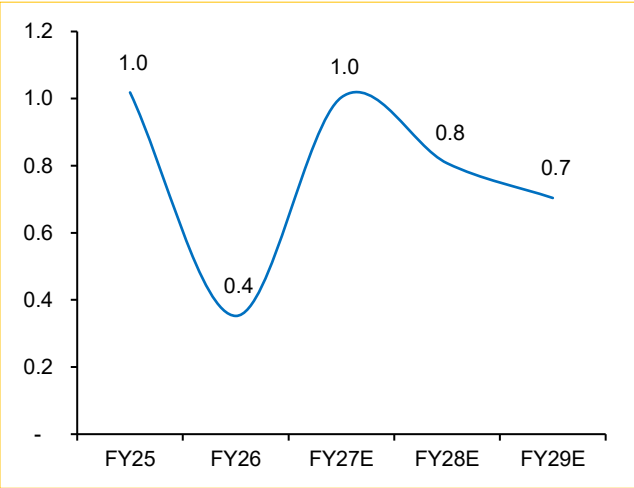
Source: SAMBHV, Choice Institutional Equities

Healthy Returns Despite Expansion Phase



Source: SAMBHV, Choice Institutional Equities

Healthy Deleveraging Reflects Strong Cash Generation



Source: SAMBHV, Choice Institutional Equities

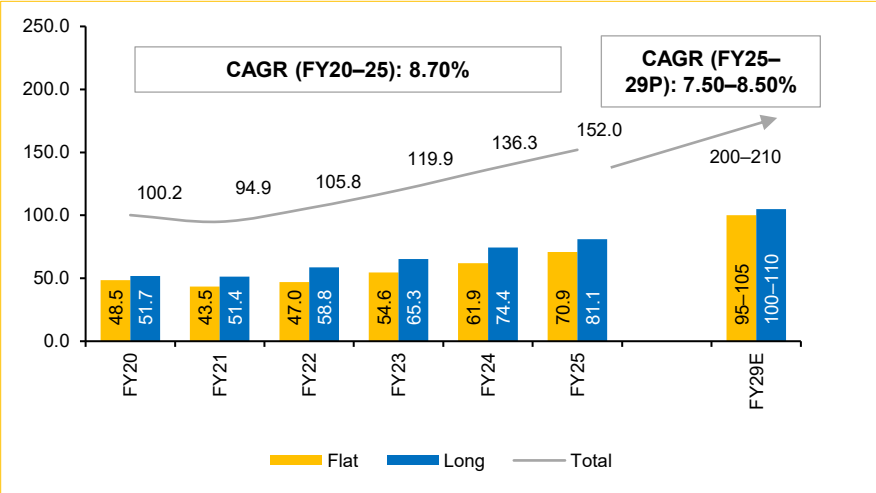
5.1 Domestic Steel Demand Momentum Remains Strong; 7.5–8.5% CAGR Expected Through FY29

India's domestic steel demand grew at a strong **8.7% CAGR over FY20–FY25**, reaching **152 MT in FY25** from 100 MT in FY20, driven by robust growth across infrastructure, construction and automobiles. Demand momentum remained particularly strong post-pandemic, with double-digit growth during FY23–FY25.

Going forward, domestic finished steel demand is expected to grow at a healthy **7.5–8.5% CAGR over FY25–FY29**, reaching **200–210 MT**, supported by sustained government infrastructure spending, housing demand, automobile growth and the National Steel Policy. While flat steel demand is supported by automobiles and construction, long steel demand continues to benefit from infrastructure-led investments.

India's steel demand outlook remains strong, with infrastructure-led investments and broad-based sectoral growth providing healthy volume visibility for domestic steel players

Domestic Finished Steel Demand Shows Broad-based Growth Across Products (MTPA)



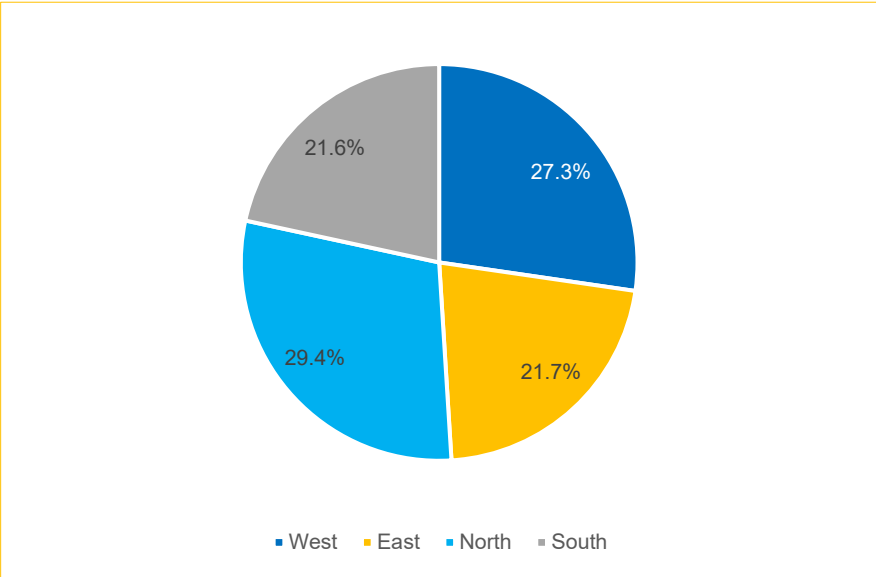
Source: Crisil Intelligence, Choice Institutional Equities

North and West India Lead Domestic Finished Steel Demand

North and West India remain the **largest finished steel-consuming regions**, accounting for **~29.4% and ~27.3%** of FY24 domestic demand, respectively. Rapid urbanisation, strong infrastructure and construction activity, expanding industrial investments and a high concentration of automobile manufacturing are key demand drivers.

Regional Growth Momentum Anchored by North and West India

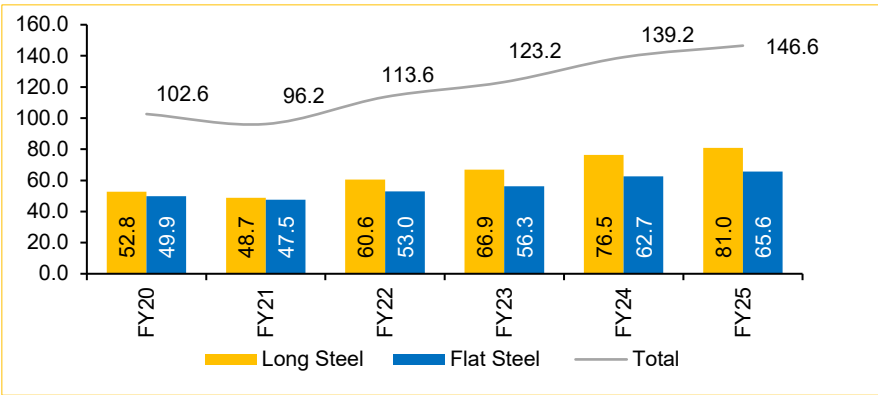
We expect the North and West regions to remain the key growth engines for domestic steel demand, supported by continued infrastructure development, urbanisation and manufacturing-led investments.



Source: Crisil Intelligence, Choice Institutional Equities

Strong growth across both product categories, with long steel leading the expansion on the back of robust infrastructure and construction activity.

India's Finished Steel Production Continues Its Strong Upward Trajectory



Source: Crisil Intelligence, Choice Institutional Equities

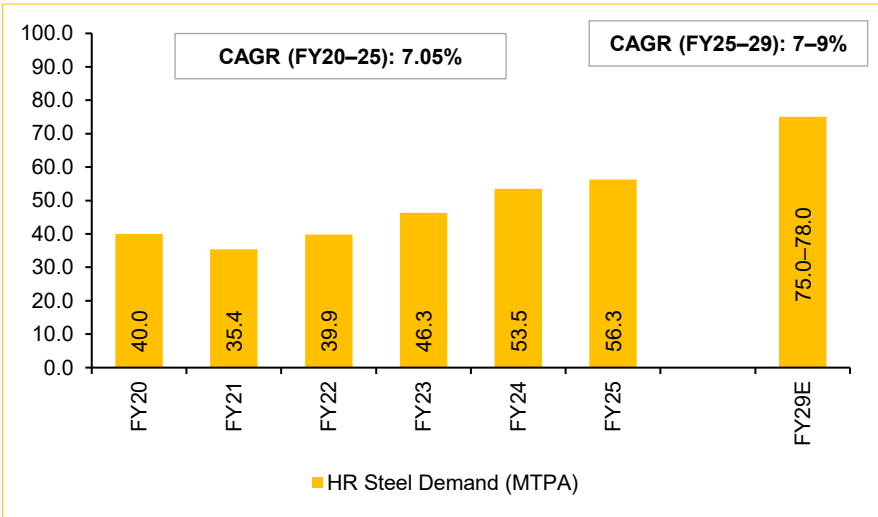
5.2 HR Steel Demand Set to Reach 75–78 MT by FY29

Domestic demand for hot-rolled (HR) steel increased from **40.0 MT in FY20 to 56.3 MT in FY25**, registering a healthy **CAGR of 7.1%**. Growth was primarily driven by **rising steel intensity** and robust demand from **building & construction, infrastructure and capital goods sectors**, supported by sustained progress in **urban housing**.

In the future, HR steel demand is expected to grow at a healthy **7–9% CAGR**, reaching **75–78 MT by FY29**. The growth outlook remains underpinned by continued momentum in **infrastructure and construction**, alongside rising demand for automobiles, consumer durables and capital goods.

Structural demand drivers remain firmly in place, providing visibility for sustained growth in HR steel consumption.

Strong End-user Demand to Sustain HR Steel Growth



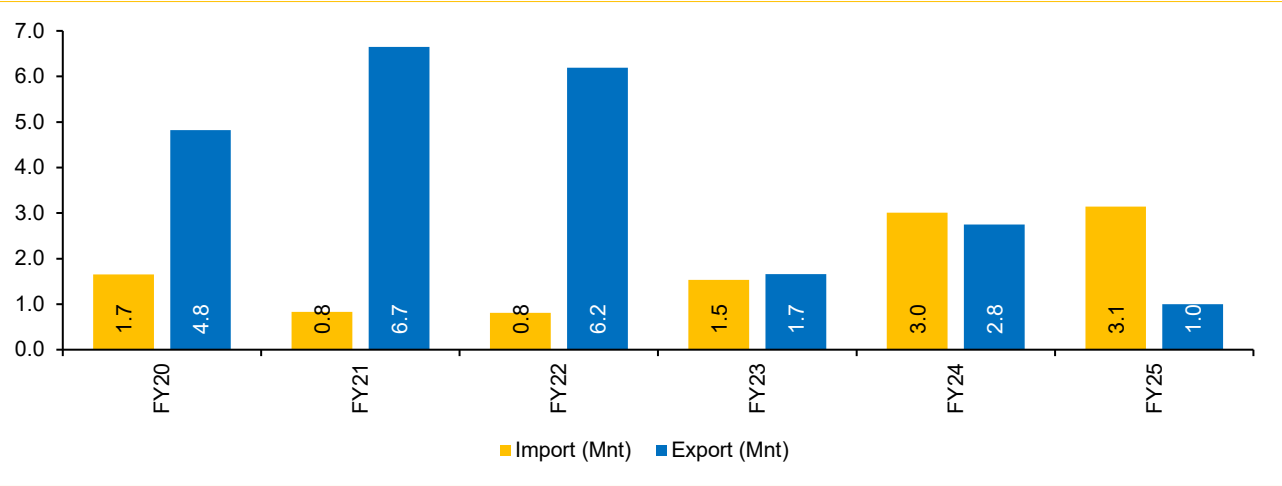
Source: Crisil Intelligence, Choice Institutional Equities

Low-cost Imports Shift India into a Net HR Steel Importer

India remained a **net exporter of hot-rolled steel between FY20 and FY23**, supported by strong domestic production and relatively subdued domestic demand during the pandemic period. However, the export surplus narrowed sharply in FY23 as **imports increased and export momentum weakened**.

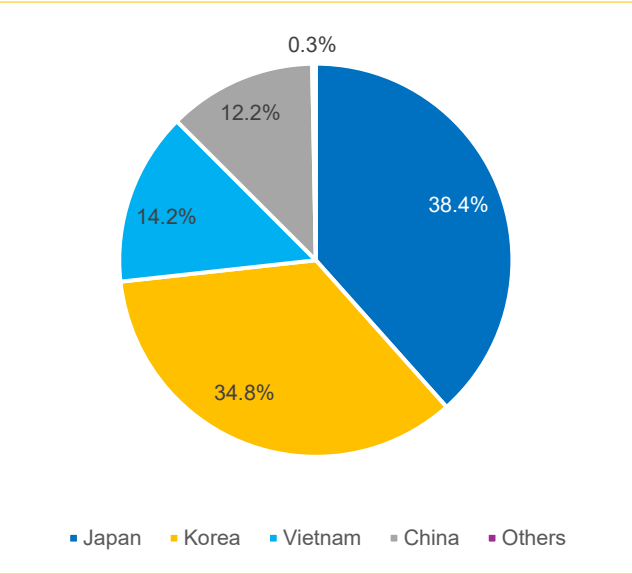
India became a net importer in FY24, despite a ~66% YoY increase in exports, as imports surged nearly **100% YoY**, driven largely by the influx of **low-cost steel from South Asian markets**. The trade deficit widened further in FY25, with **exports declining 64% YoY** amid intensifying competition from low-cost suppliers in key export markets.

Changing Trade Dynamics in India's Hot-Rolled Steel Market



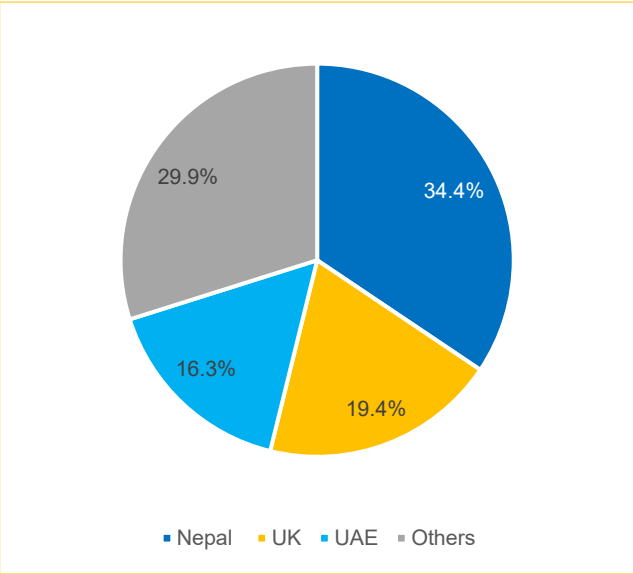
Source: Crisil Intelligence, Choice Institutional Equities

Asian Countries Fulfilled 100% of India's HR Steel Import Requirements in FY25



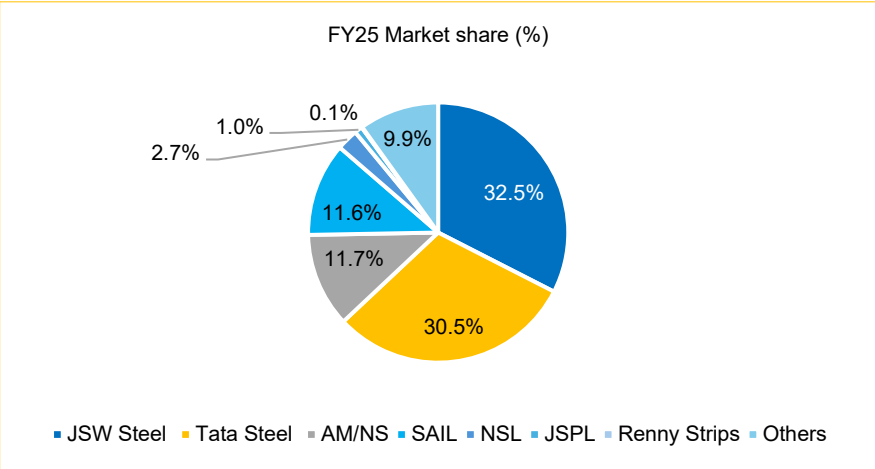
Source: Crisil Intelligence, Choice Institutional Equities

Nepal Accounted for Over One-third of India's HR Steel Exports in FY25



Source: Crisil Intelligence, Choice Institutional Equities

Leading Domestic Steelmakers Continue to Hold a Strong Position in the HR Steel Market

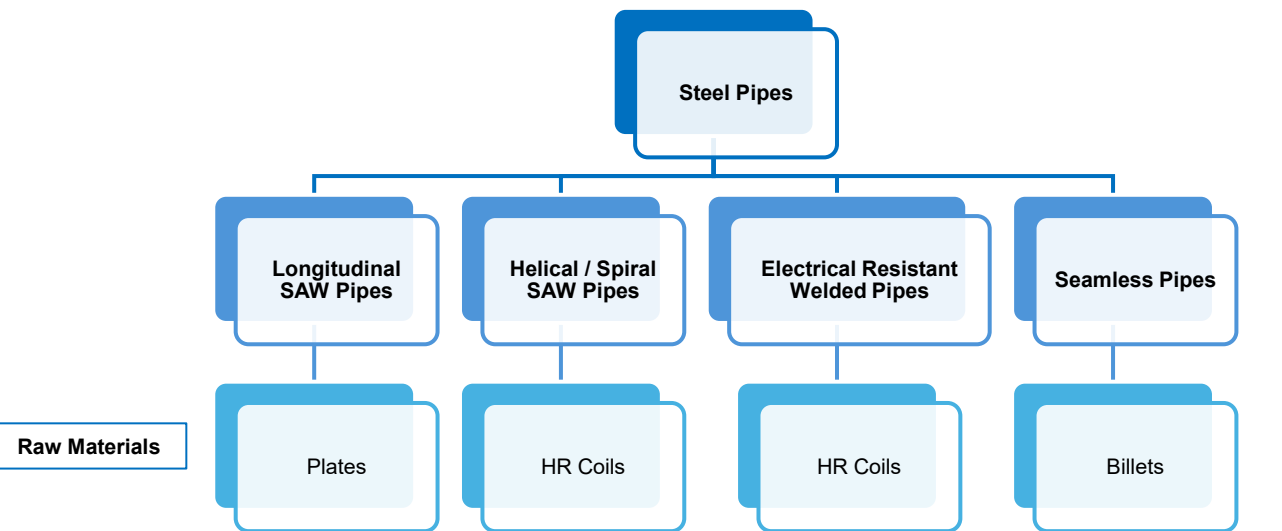


Source: JPC Industry, Choice Institutional Equities

JSW Steel and Tata Steel are the largest producers of hot-rolled steel in India, with a cumulative market share of ~63%.

5.3 Steel Pipes and Tubes: An Important Downstream Steel Segment in India

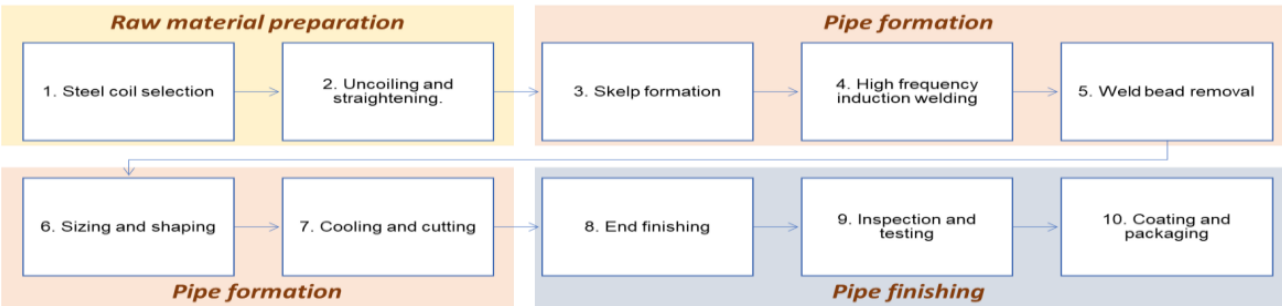
Steel pipes and tubes represent an important downstream segment of the steel industry, with major applications in the transportation of liquids and gases such as oil, natural gas and water, as well as across the construction sector. **The domestic industry remains highly fragmented, with over 100 manufacturers operating across the country.**



Source: Crisil Intelligence, Choice Institutional Equities

ERW Pipes and Tubes: A Cost-effective Solution for Diverse Applications

ERW (Electric Resistance Welded) pipes and tubes are manufactured using high-frequency electric current to heat the edges of hot-rolled coils or plates, which are then fused to form a continuous welded joint. These pipes are typically available in diameters ranging from **10 mm to 500 mm**. Compared with other welded pipe categories, such as SAW pipes, ERW pipes and tubes are generally more cost-competitive.

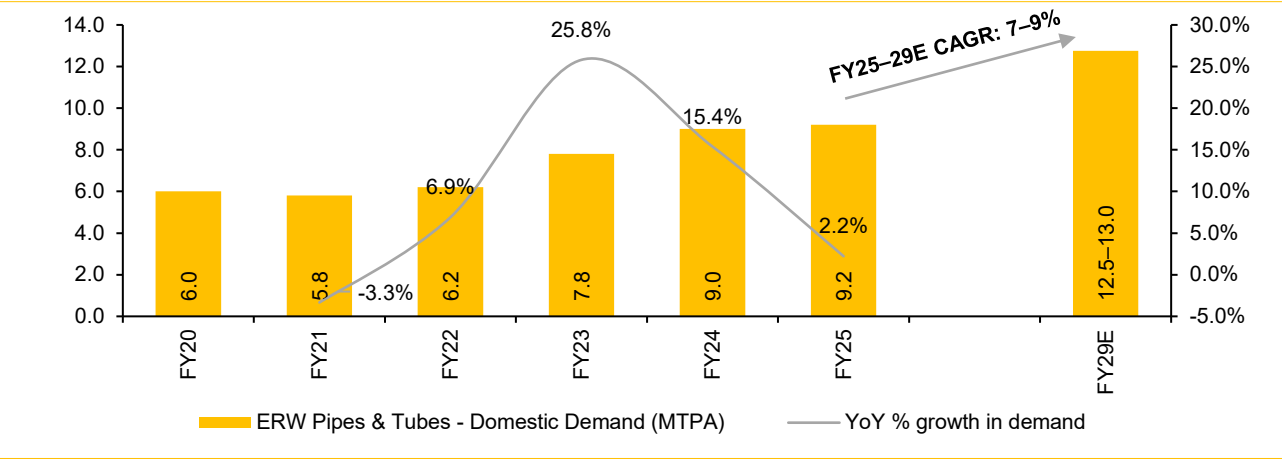


Source: Crisil Intelligence, Choice Institutional Equities

ERW Pipes Demand to Grow at 7–9% CAGR Through FY29

Domestic ERW pipes and tubes demand is expected to expand at a **7–9% CAGR during FY25–29**, reaching **12.5–13.0 MT by FY29**, supported by sustained investments in **housing, urban infrastructure, water & sanitation, irrigation and oil & gas**. Continued spending under **Jal Jeevan Mission, affordable housing and city gas distribution**, along with investments in transmission pipelines, should further support **ERW pipe demand growth**.

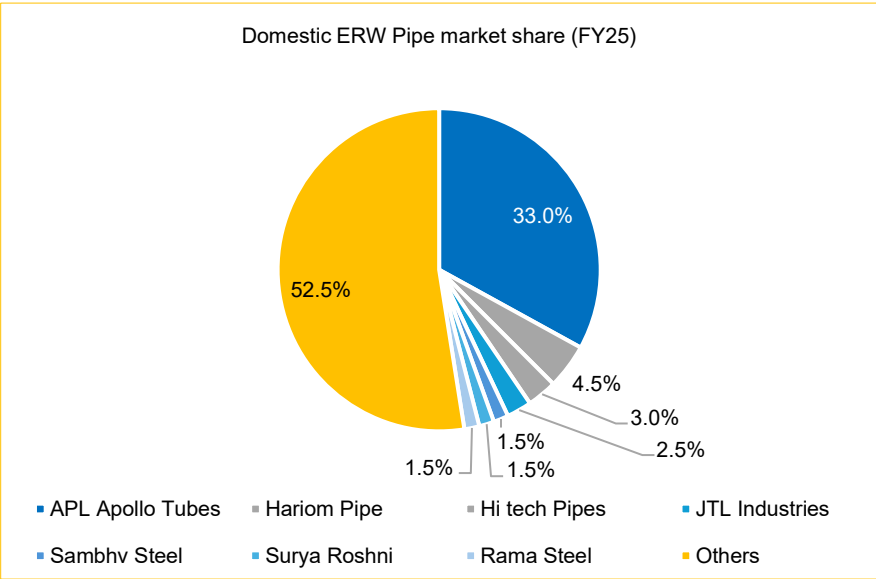
ERW demand to reach 12.5–13.0 MT by FY29



Source: Crisil Intelligence, Choice Institutional Equities

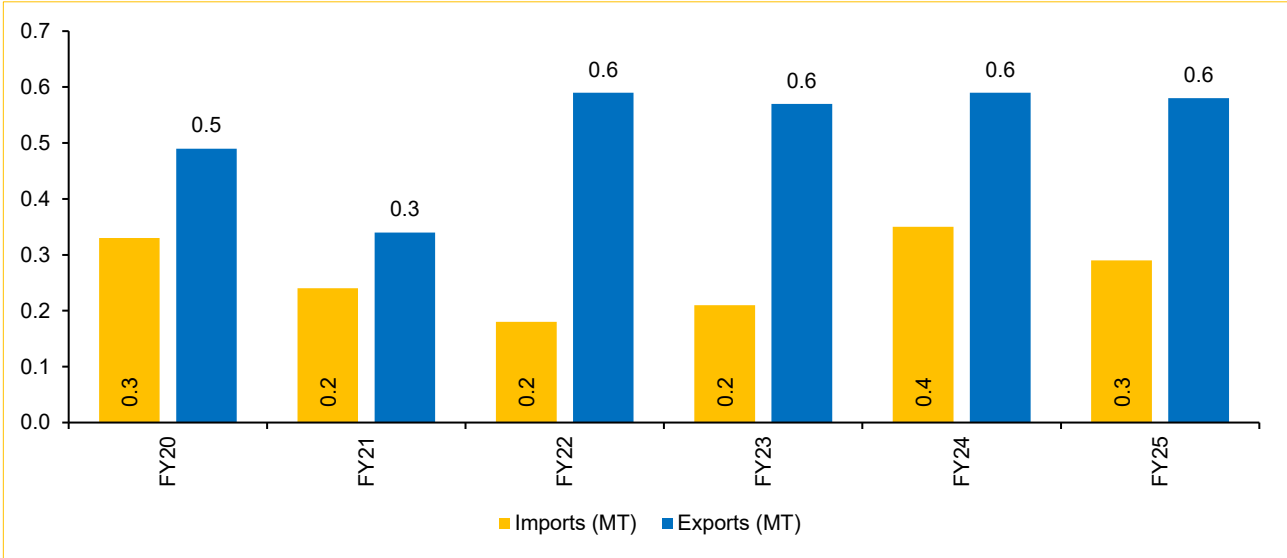
ERW Pipe Industry Remains Dominated by Established Market Leaders

As organised players gain share, SAMBHV can leverage capacity expansion and product diversification to improve its presence in the ERW pipe market



Source: Crisil Intelligence, Choice Institutional Equities

ERW pipes: Exports remain well ahead of imports



Source: Ministry of Commerce, Choice Institutional Equities

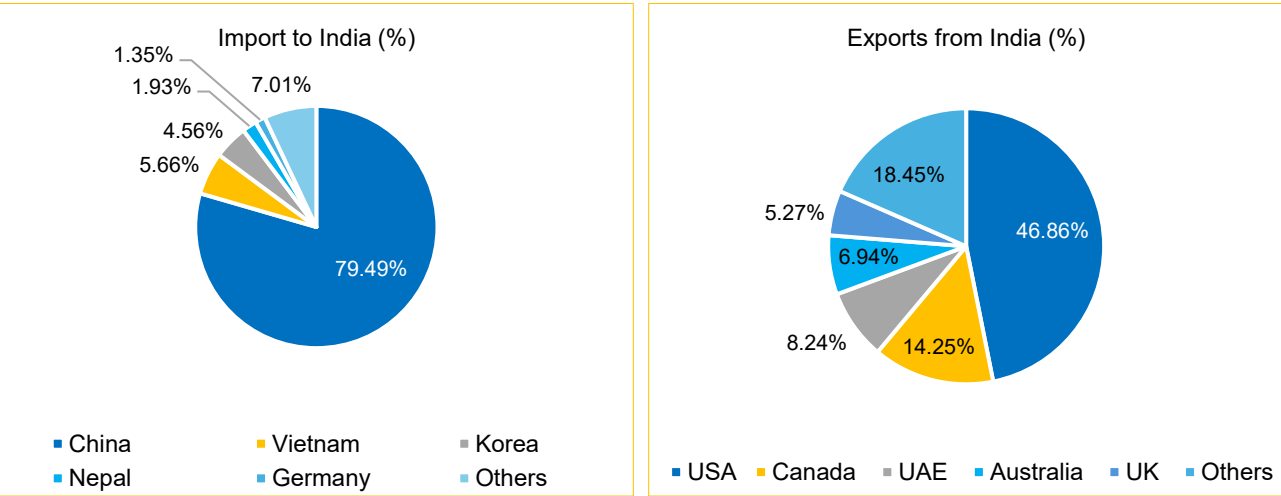
Import moderation and resilient exports create a favourable backdrop for domestic ERW players. Sambhv is well placed to leverage this through capacity expansion, cost integration and export opportunities

India Remains a Net Exporter of ERW Pipes Despite Import Volatility

India's **ERW pipe imports declined at a ~26% CAGR during FY20-FY22**, from 0.33mt to 0.18mt, amid pandemic-led weakness in domestic end-user demand. Imports subsequently rebounded to **0.35mt in FY24**, driven by increased inflows of **lower-priced steel pipes from South Asian countries**. However, government measures to curb cheap imports helped imports decline **17% YoY to 0.29mt in FY25**.

On the export front, volumes declined 31% YoY in FY21 due to pandemic disruptions, before **surging 73% YoY to 0.59mt in FY22** on economic recovery and pent-up global demand. Exports remained broadly stable at **0.57-0.59mt during FY23-FY25**, supported by robust demand from the **Middle East and North America**, particularly across oil & gas and water desalination projects. Consequently, **India continues to remain a net exporter of ERW pipes and tubes**, providing a favourable backdrop for domestic manufacturers with export capabilities.

North America emerges as a key export market, while China dominates India's ERW pipe imports



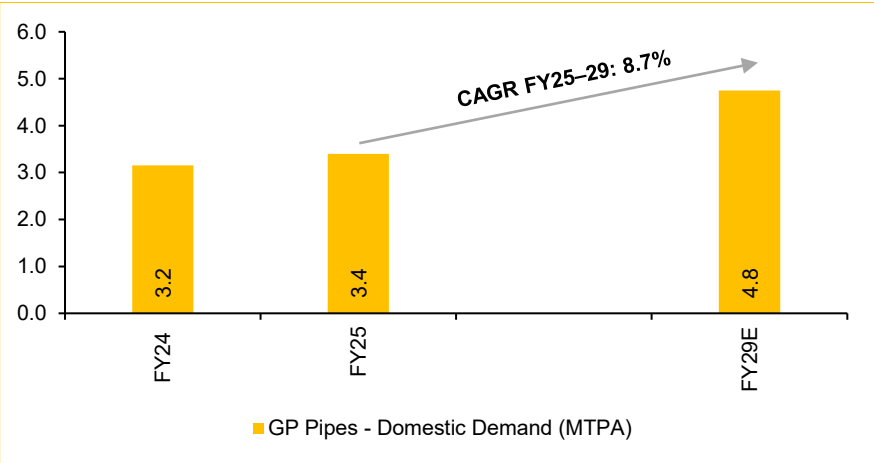
Source: Ministry of Commerce, Choice Institutional Equities

5.4 GI Pipe Demand to Grow 8.7% CAGR, Supported by Construction and Water Infrastructure

GI pipes are **ERW pipes coated with zinc**, primarily through hot-dip galvanisation, offering enhanced corrosion resistance. They are widely used in **water supply, irrigation and plumbing applications**. GI pipe demand is expected to grow at an **8.7% CAGR during FY25-FY29**, increasing from **3.2 MTPA to 4.8 MTPA**, driven by **construction, infrastructure and water-supply investments**.

GI pipes offer strong structural growth potential, with demand expected to grow at ~8.7% CAGR through FY29, driven by water, irrigation and infrastructure spending.

GI pipe demand to witness strong growth, led by water supply and construction

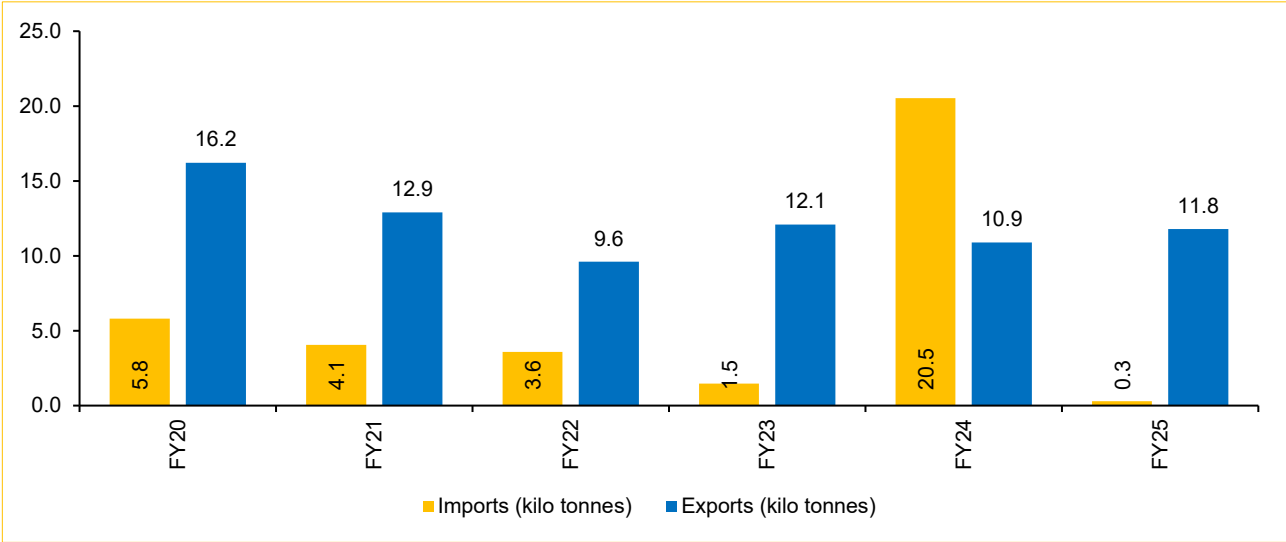


Source: Crisil Intelligence, Choice Institutional Equities

Galvanised pipe trade normalises in FY25 as imports plunge and exports recover

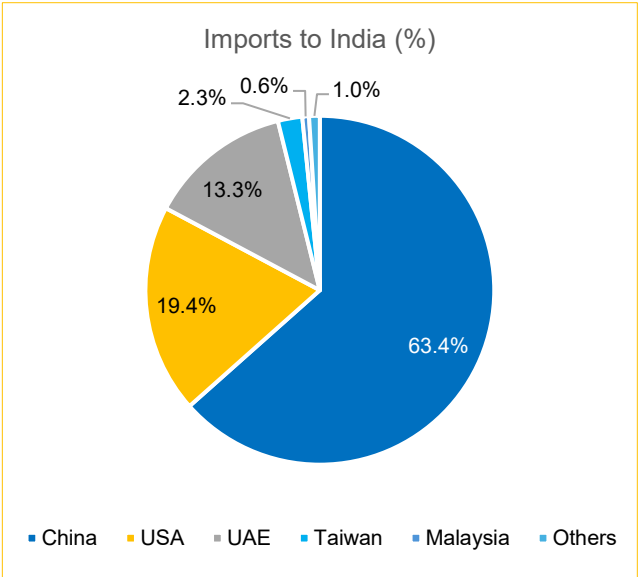
India’s galvanised pipe imports declined sharply from FY20–FY23 amid **pandemic-led demand weakness, high steel and freight costs, and rising domestic capacity**. Imports surged to **20.52 KT in FY24**, driven by higher supplies from the UAE following CEPA and increased low-cost imports from Malaysia, making India a net importer. However, imports **plunged to 0.29 KT in FY25**, reflecting **lower supplies from the UAE/Malaysia and greater emphasis on domestic manufacturing**. Meanwhile, exports recovered **8% YoY to 11.79 KT in FY25**, indicating improving external demand and a normalisation in trade flows.

Import pressure eases sharply in FY25; exports regain momentum



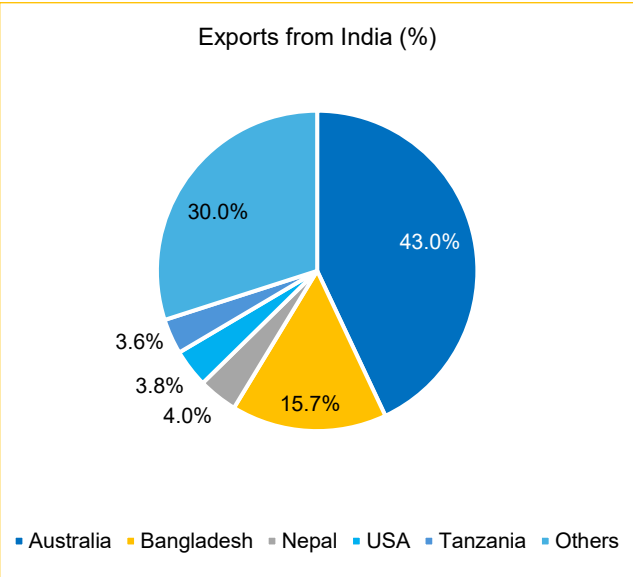
Source: Crisil Intelligence, Choice Institutional Equities

China, USA and UAE dominate India’s galvanised pipe imports



Source: Crisil Intelligence, Choice Institutional Equities

Australia and Bangladesh account for ~59% of India’s galvanised pipe exports



Source: Crisil Intelligence, Choice Institutional Equities

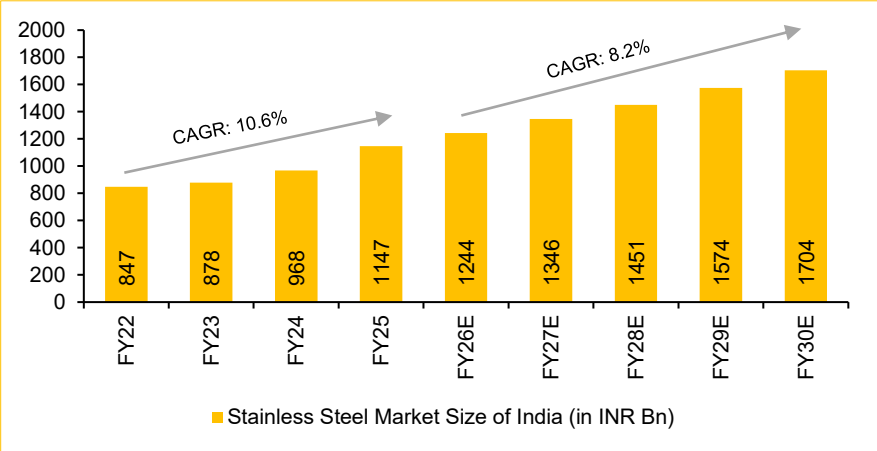
5.5 India Stainless Steel Demand: Strong Growth with Significant Headroom

India's stainless-steel market grew at a **10.6% CAGR** during **FY22–FY25** to **~INR 1,147 Bn**, led by **infrastructure, railways, metro, construction and urbanisation**. With per-capita SS consumption still below global levels, **structural demand headroom remains significant**.

The market is expected to grow at an **8.2% CAGR** during **FY25–FY30E** to **~INR 1,704 Bn**, supported by **infrastructure investments and emerging applications such as green hydrogen, renewables, smart cities and tunnels**. **India's SS demand growth is expected to outpace global growth**, driven by rising industrialisation and increasing SS penetration.

India SS Market Set for 8.2% CAGR through FY30

We remain structurally positive on India's SS demand outlook, supported by infrastructure-led spending, rising urbanisation and low per-capita consumption, while emerging applications should further expand the addressable market. We expect sustained demand growth over the medium term, supporting improving SS penetration



Source: CareEdge Research, Choice Institutional Equities

Diverse end-uses drive demand for long and flat SS products

Parameter	Flat Products	Long Products
Product Forms	Sheets, coils, plates, strips	Bars, rods, wires, angles, sections, wire rods
Manufacturing Route	Hot rolling → Cold rolling → Finishing (annealing, pickling, skin pass)	Hot rolling, forging, extrusion → Heat treatment, bright bar finishing
Key Characteristics	Uniform thickness; superior surface finish	Structural integrity; high strength; precision engineering
Key End-uses	Consumer goods, automobile, appliances, food processing, chemical, construction (cladding)	Construction, infrastructure, automobile components, engineering, defence, oil and gas
Demand Nature	More diversified and relatively stable; consumption-driven	Somewhat cyclical; infrastructure- and capex driven
Market Share (FY26E)	~75% of India SS marke	~25% of India SS market
Projected CAGR (FY26–FY30P)	7.9%	9.0%

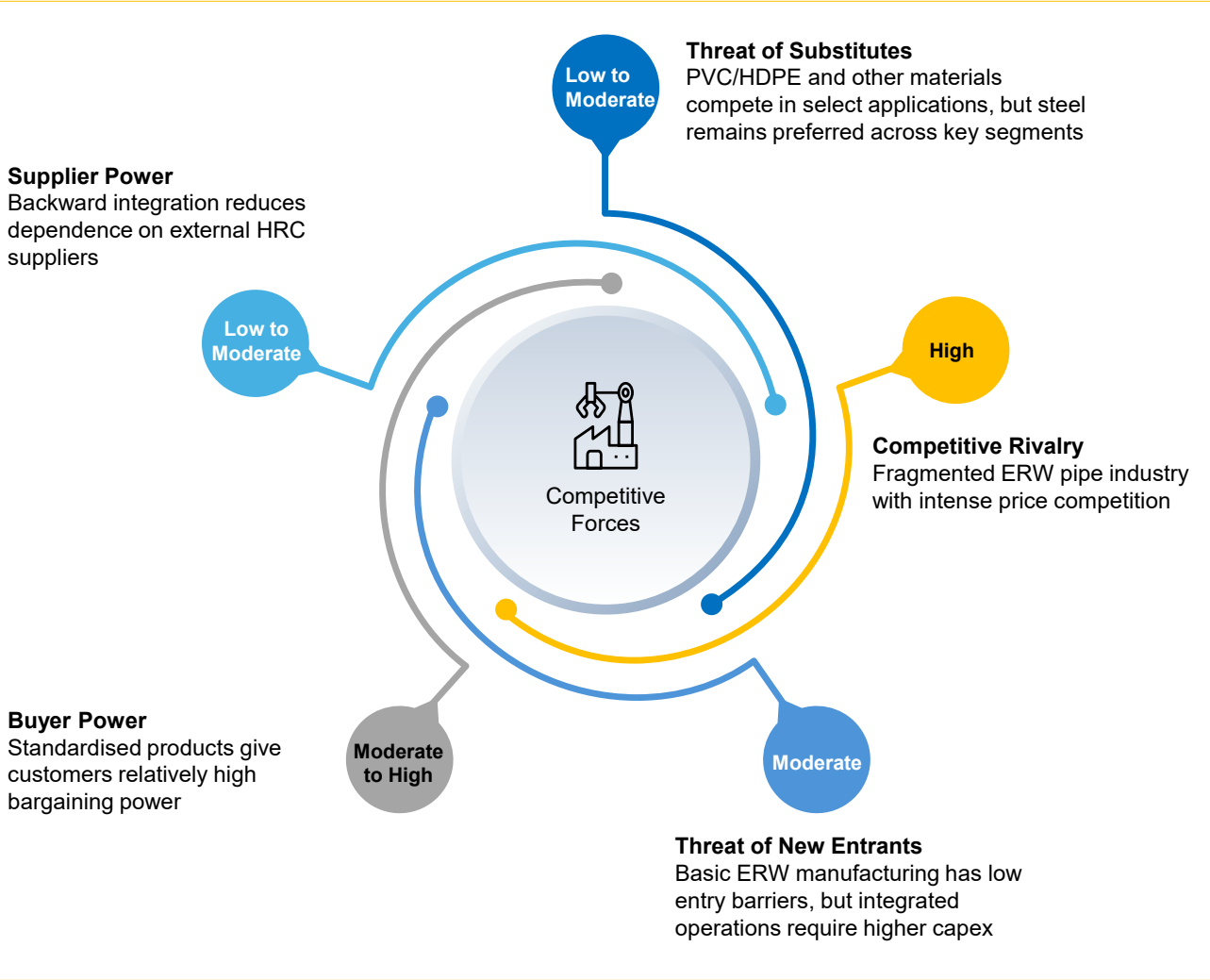
Source: Avtar Steel DRHP, Choice Institutional Equities

Regional SS demand gains breadth beyond industrial uses

Region	Historical Growth Drivers	Forward Demand Outlook	FY26E Market Share	CAGR (FY26–30E)
Western India	Industrialisation, port connectivity, and export-oriented industries; steady demand from engineering, chemicals, and automobile	Expected to benefit from logistics advantages, export growth, and industrial investment; strong export linkages to Gulf, EU, and Southeast Asia	33.0%	9.0%
Northern India	Dominant demand leader; strong manufacturing base, consumer goods production, expanding urban infrastructure, industrial corridors, distribution networks	Sustained leadership supported by manufacturing growth, urban expansion, consumer markets, and proximity to industrial clusters	27.0%	9.2%
Southern India	Urbanisation, construction activity, and rising consumer demand, particularly in appliances and fabrication	Rising demand from technologically urbanisation, renewable energy, and high-end manufacturing; growing auto components and pharma sectors	24.0%	8.2%
Eastern India	Proximity to mineral resources, steel hubs, and heavy industries; supplydriven market linked to railways and basic infrastructure	Infrastructure expansion, industrial corridors, and urban development expected to transform the region into a more consumption-driven market	16.0%	4.6%

Source: CareEdge Research, Choice Institutional Equities

5.6 Michael Porter's Five Forces Analysis



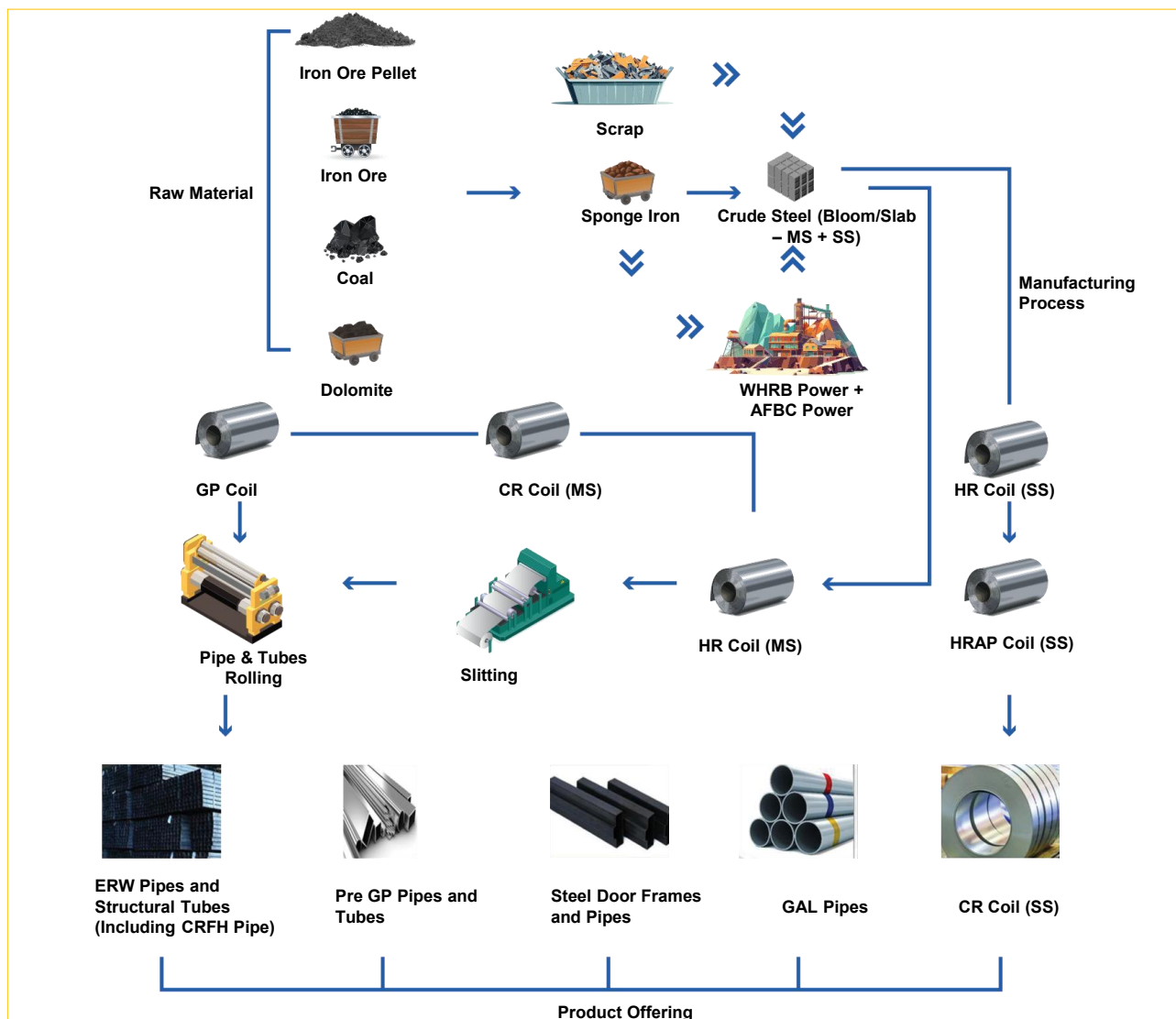
Source: SAMBHV, Choice Institutional Equities

6.1 Company History

SAMBHV is an integrated steel manufacturer based in **Raipur, Chhattisgarh**, focused on **ERW pipes & tubes, structural hollow sections and steel coils**. The company is increasingly shifting towards **higher-value-added products**, including Galvanised Plain Coils, Mild Steel Hot-Rolled Coils, Stainless Steel Hot-Rolled Coils, Stainless Steel Hot-Rolled Annealed & Pickled and Cold-Rolled Coils.

- **Backward integration:** Operations span **sponge iron, billets/blooms/slabs, HR/CR coils and downstream pipes and tubes**, supported by **25MW captive power capacity**, enabling cost and raw-material efficiencies.
- **Strategic location:** Manufacturing facilities at **Sarora and Kuthrel near Raipur**, with a pan-India distribution network of **~40 distributors and 700 dealers**.
- **Diversified end markets:** Serves **infrastructure, construction, agriculture, engineering, renewable energy and water transmission** segments.
- **Growth strategy:** Following its **INR 4,400 Mn IPO in FY26**, the company is focused on **capacity expansion, product diversification and higher value addition**, positioning it to benefit from India's infrastructure and industrial capex cycle.

Details of Mines, Mining Leases and Products

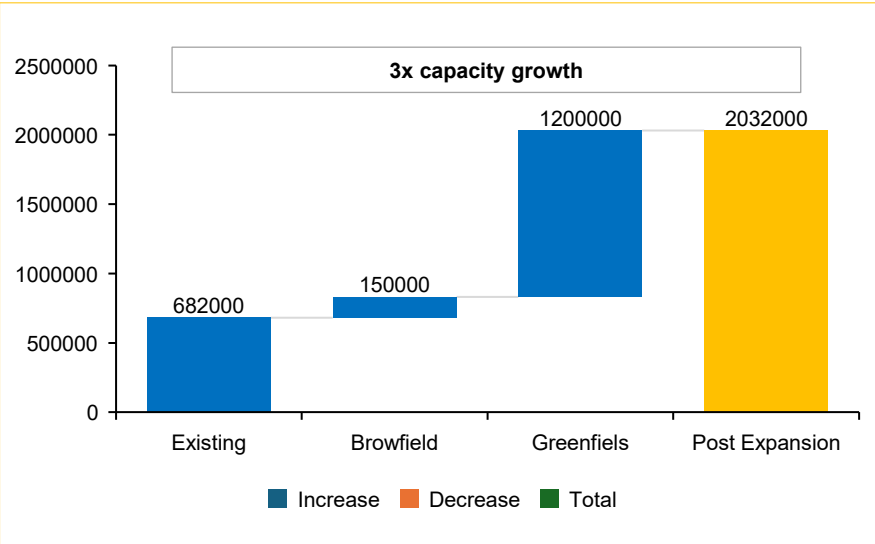


Source: SAMBHV, Choice Institutional Equities

6.2 Vision 2030: Scaling Capacity, Deepening Integration and Creating Long-term Value

The expansion should strengthen capacity scale, improve backward integration and lower power costs, while the addition of the ERW provides further downstream diversification and growth optionality

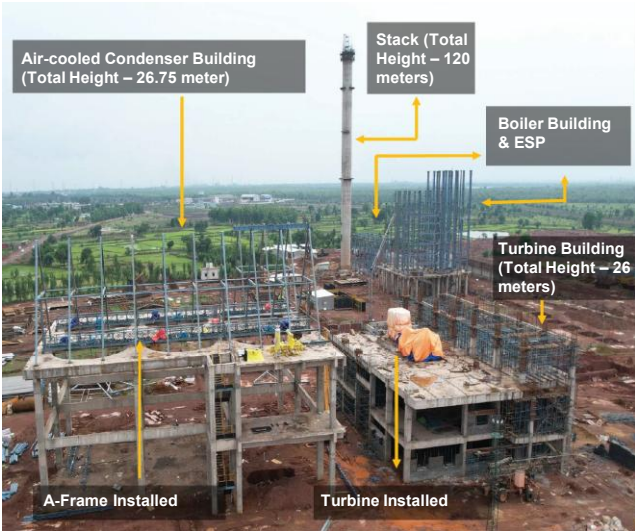
From capacity expansion to integrated value-creation



Source: SAMBHV, Choice Institutional Equities

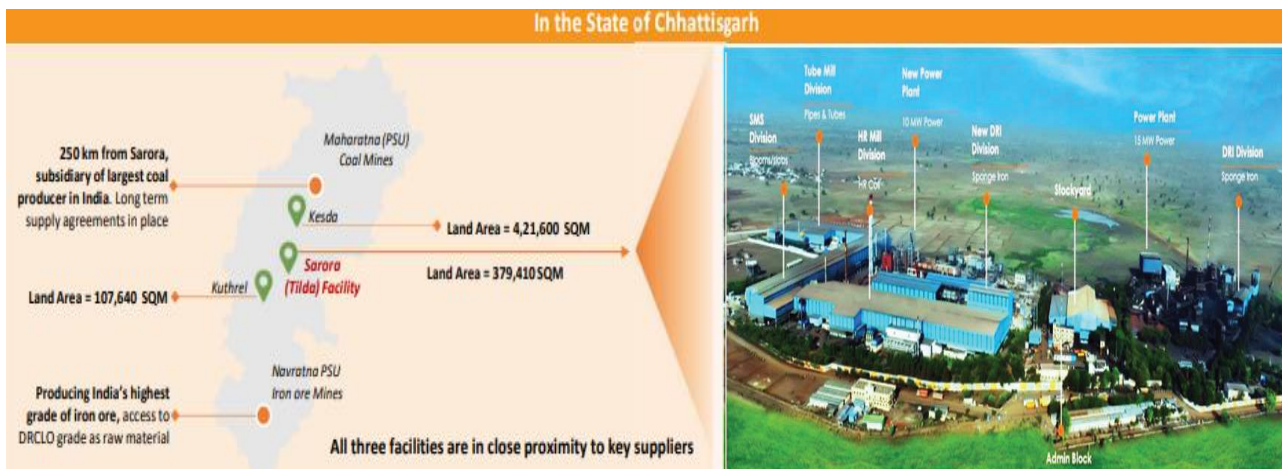
Expansion Roadmap Focused on Stainless Steel, ERW Pipes & Cost Efficiency

- **Kesda & Kuthrel:** Greenfield expansion to add 1.2 MTPA finished product capacity in phases; Phase I adds 0.36 MTPA stainless-steel coils with INR 8.1 Bn capex, targeted by Q4FY27.
- **Kesda:** 25 MW round-the-clock power plant with INR 1.25 Bn capex, commissioning by Q4FY27.
- **Sarora, Raipur:** Addition of 30 MW captive power with INR 1.5 Bn capex to reduce external power dependence.
- **Kuthrel:** 8 MW rooftop solar plant with INR 0.25 Bn capex, supporting renewable power integration.
- **ERW Pipes & Tubes:** 1,50,000 MTPA DFT capacity addition through brownfield expansion with INR 0.5 Bn capex.



Source: SAMBHV, Choice Institutional Equities

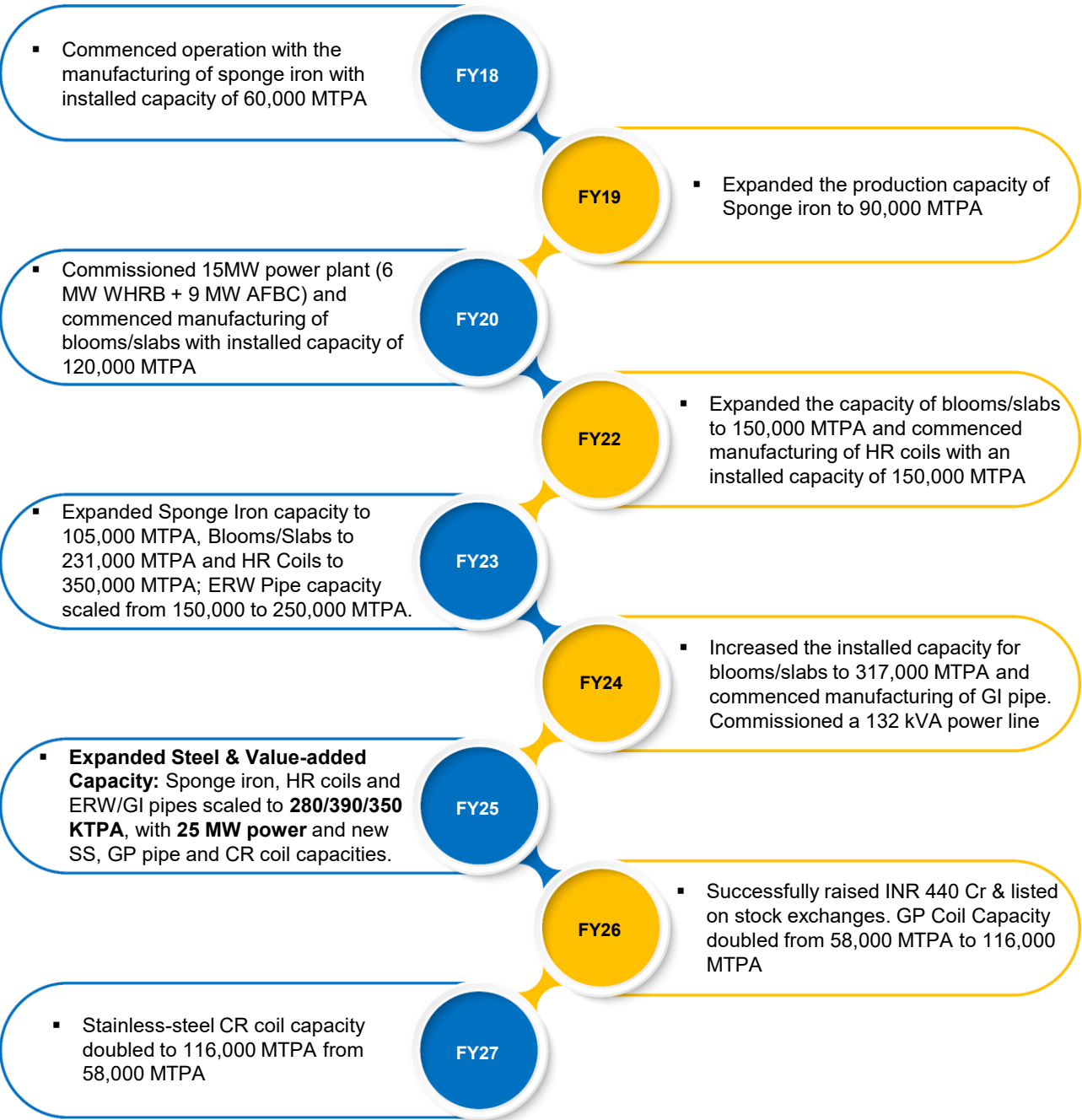
6.3 Strategic Manufacturing Footprint Drives Cost Efficiency



Source: SAMBHV, Choice Institutional Equities

- **Integrated resource advantage:** Proximity to Chhattisgarh's natural resources enables captive sponge iron production, strengthening raw-material security and supporting downstream steel manufacturing.
- **Strong logistics connectivity:** Well-connected road and rail infrastructure facilitates efficient inbound sourcing and pan-India product distribution, while improving vehicle availability.
- **Kuthrel facility operationalised:** Second plant at Kuthrel (107,640 sqm) commenced operations in FY25, expanding capacity across value-added products including GP coils, GP pipes, SS HRAP and SS CR coils.
- **Kesda expansion underway:** Greenfield project at Kesda is progressing on 421,600 sqm of acquired land, with environmental clearance received and execution underway.

6.4 Key Milestone



Source: SAMBHV, Choice Institutional Equities

6.5 About the Management

Name	Designation	Qualification	Experience
 Brijal Goyal	Promoter & Chairman Emeritus	- Promoter and founding leader of Sambhv Steel Tubes Ltd. - Established Sambhv Steel Tubes Ltd. in 2017, formerly known as Sambhv Sponge Power Pvt. Ltd.	Mr Brijal Goyal is the promoter and founding leader of Sambhv Steel Tubes Ltd. Established in 2017, the company has since evolved into the flagship entity of the group under his leadership. He brings extensive entrepreneurial experience in the steel and manufacturing industry , with a strong focus on business growth, stakeholder relationships and long-term value creation.
 Suresh Kumar Goyal	Chairman & Managing Director	Mr Suresh Kumar Goyal holds a Bachelor of Commerce (B.Com.) degree from Pt. Ravishankar Shukla University, Raipur.	Mr Suresh Kumar Goyal has over 20+ years of experience in the steel manufacturing industry , with expertise across project execution, strategy, technology adoption and quality assurance . He has held leadership positions across multiple companies in the steel and allied sectors and has been instrumental in Sambhv Steel Tubes' product diversification, technological advancement and business expansion .
 Vikas Kumar Goyal	Managing Director & CEO	Mr Vikas Kumar Goyal holds a Bachelor of Commerce (B.Com.) degree.	Mr Vikas Kumar Goyal brings nearly two decades of experience in the steel and allied industries . He has been associated with Sambhv Steel Tubes since its inception in 2017 and has held leadership responsibilities across finance, sales, marketing, procurement, strategy and business development . He has also been involved in steel and plastics businesses, broadening his operational and strategic expertise. He currently serves as Managing Director & CEO of Sambhv Steel Tubes .
 Bhavesh Khetan	Executive Director & COO	Mr Bhavesh Khetan holds a Bachelor of Commerce (B.Com.) degree from Pt. Ravishankar Shukla University, Raipur.	Mr Bhavesh Khetan brings over 10 years of experience in the iron and steel industry , with prior experience as proprietor of Vinayak Traders , engaged in the trading of iron, scrap and coal. As Executive Director & COO of Sambhv Steel Tubes, he oversees plant operations, production, maintenance and plant administration , with a focus on operational efficiency, capacity utilisation and manufacturing excellence.
 Anu Garg	CFO	She is an Associate Member of the Institute of Chartered Accountants of India (ICAI) and holds a Bachelor's degree in Commerce from MATS University.	A Chartered Accountant by profession , she brings over six years of professional experience , with expertise in finance and accounting.

Source: SAMBHV, Choice Institutional Equities

6.6 Abbreviations & Terms

- **AFBC:** Atmospheric Fluidized Bed Combustion
- **CAGR:** Compound Annual Growth Rate
- **CAPEX:** Capital Expenditure
- **CFO:** Cash Flow from Operations
- **CMP:** Current Market Price
- **CPP:** Captive Power Plant
- **CR:** Cold Rolled
- **CRBA:** Cold Rolled Bright Annealed
- **CRM:** Cold Rolling Mill
- **CTO:** Consent to Operate
- **DFT:** Direct Forming Technology
- **DII:** Domestic Institutional Investor
- **EBIT:** Earnings Before Interest and Taxes
- **EBITDA:** Earnings Before Interest, Taxes, Depreciation, and Amortization
- **EPS:** Earnings Per Share
- **ERW:** Electric Resistance Welded
- **EV:** Enterprise Value
- **FII:** Foreign Institutional Investor
- **FY:** Financial Year / Fiscal Year
- **GAL:** Galvalume
- **GI:** Galvanized Iron
- **GP:** Pre Galvanized
- **HRAP:** Hot Rolled Annealed and Pickled
- **HRC:** Hot Rolled Coil
- **INR / Bn / Mn:** Indian Rupee / Billion / Million
- **kt / MT / MTPA:** Thousand tonnes / Million Tonnes / Million Tonnes Per Annum
- **MCap:** Market Capitalisation
- **MS:** Mild Steel
- **P/B:** Price to Book Value Ratio
- **P/E:** Price to Earnings Ratio
- **PAT:** Profit After Tax
- **ROCE:** Return on Capital Employed
- **ROE:** Return on Equity
- **ROIC:** Return on Invested Capital
- **RPAT:** Reported Profit After Tax
- **SAW:** Submerged Arc Welded
- **SS:** Stainless Steel
- **TP:** Target Price
- **TTM:** Trailing Twelve Months
- **WC:** Working Capital
- **WHRB:** Waste Heat Recovery Boiler
- **YoY:** Year-on-Year
- **YTD:** Year-to-Date

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