

IPO Report

Choice

**“Subscribe for Long Term” to
Sambhv Steel Tubes Ltd.**

Fully priced issue.



Salient features of the IPO:

- **Sambhv Steel Tubes Ltd.** (SSTL), the backward-integrated manufacturers of electric resistance welded (“ERW”) steel pipes and structural tubes (hollow section), is coming up with an IPO to raise around Rs. 540.0cr, which opens on 25th Jun and closes on 27th Jun 2025. The price band is Rs. 77 - 82 per share.
- This public issue is a combination of fresh issue (Rs. 440.0cr) and OFS (Rs. 100.0cr). From the fresh issue net proceeds, the company will be utilizing Rs. 390.0cr for Pre-payment or scheduled re-payment of a portion of certain outstanding borrowings availed by the company. Residual proceeds will be used for general corporate purposes.
- Some of the promoter & promoter group (P&PG) entities are participating in the OFS and offloading 0.793cr equity shares. Post-IPO, the P&PG and public shareholders will have 56.14% and 43.86% stake in the company, respectively.

Key competitive strengths:

- A single location backward integrated facility in India
- Strategically located manufacturing plants resulting in operational efficiencies
- Strong process innovation and execution capabilities allowing SSTL to produce value-added products
- Wide-spread well connected distribution network across India
- Well-positioned to take advantage of the growing demand for quality ERW steel pipes and tubes
- Track record of healthy financial performance
- Experienced promoters and management team with vast experience in the steel industry

Risk and concerns:

- Under-utilization of manufacturing capacities
- High dependence on ERW pipe sale
- Geographical concentration in North and West India
- Raw material price volatility or supply disruptions
- Adverse macroeconomic and geopolitical conditions
- Competition

Below are the key highlights of the company:

- Globally, steel pipes and tubes are classified into welded, seamless, and hollow section pipes. As of 2022, India’s share in the industry is about 5%. Total global production declined over 5% in 2022 to 132MT due to geopolitical supply disruptions.
- Domestic steel pipe and tube demand is estimated to grow from 8.8 MTPA in FY19 to 12.5–13.5 MTPA in FY25 at a 5–6% CAGR, and further reach 18.5–20.5 MTPA by FY29 at a CAGR of 8–9%, led by structural infrastructure and irrigation, which are expected to account for 50–55% of total demand.
- Incorporated on 24th Apr, 2017, SSTL is one of the key manufacturers of ERW steel pipes and structural tubes (hollow section) in India in terms of installed capacity as of FY24. Its backward integration processes allows it to manufacture a range of finished products including ERW black pipes and tubes, pre-galvanized (GP) pipes, Cold Rolled Full Hard Pipes and galvanized iron pipes and steel door frames, using intermediate products such as sponge iron, blooms/slabs and hot rolled coil, cold rolled coil (mild steel) and GP coils which are manufactured in-house.
- The company is 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, as of 9MFY25. Its products are rust-resistant and tailored to meet specific market requirements, ensuring wide application across multiple sectors including housing and infrastructure, water transportation, agriculture, automobile, telecommunications, oil and gas, engineering, solar energy, fire-fighting systems, and for support structures of conveyors.

Issue details

Price band	Rs. 77 - 82 per share
Face value	Rs. 10
Shares for fresh issue	5.366 - 5.714cr shares
Shares for OFS	1.220 - 1.299cr shares
Fresh issue size	Rs. 440.0 Cr
OFS issue size	Rs. 100.0 Cr
Total issue size	6.585 - 7.013cr shares (Rs. 540.0 Cr)
Employee Reservation Portion	0.032 - 0.034cr shares (Rs. 2.5 Cr)
Net issue size	6.553 - 6.979cr shares (Rs. 537.5 Cr)
Bidding date	25 th - 27 th Jun, 2025
Implied MCAP at higher price band	Rs. 2,416.2 Cr
Implied enterprise value at higher price band	Rs. 3,067.2 Cr
Book running lead manager	Nuvama Wealth Management Ltd., Motilal Oswal Investment Advisors Ltd.
Registrar	Kfin Technologies Ltd.
Sector	Iron & Steel Products
Promoters	Brijlal Goyal, Suresh Kumar Goyal, Vikas Kumar Goyal, Sheetal Goyal, Shashank Goyal, and Rohit Goyal

Category	Percent of issue (%)	Number of shares
QIB portion	50%	3.277 – 3.489cr shares
Non institutional portion (Big)	10%	0.655 – 0.698cr shares
Non institutional portion (Small)	5%	0.328 – 0.349cr shares
Retail portion	35%	2.294 – 2.443cr shares

Indicative IPO process time line

Finalization of basis of allotment	30 th Jun, 2025
Unblocking of ASBA account	1 st Jul, 2025
Credit to demat accounts	1 st Jul, 2025
Commencement of trading	2 nd Jul, 2025

Pre and post - issue shareholding pattern

	Pre-issue	Post-issue
Promoter & promoter group	71.93%	56.14%
Public	28.07%	43.86%
Non-promoter & Non-public	0.00%	0.00%
Total	100.00%	100.00%

Retail application money at higher cut-off price per lot

Number of shares per lot	182
Employee discount	Rs. 4 per share
Application money	Rs. 14,924 per lot

Research Analyst: **Rajnath Yadav**

Email: rajnath.yadav@choiceindia.com

Ph: +91 6707 9999; Ext: 912

Key highlights of the company (Contd...):

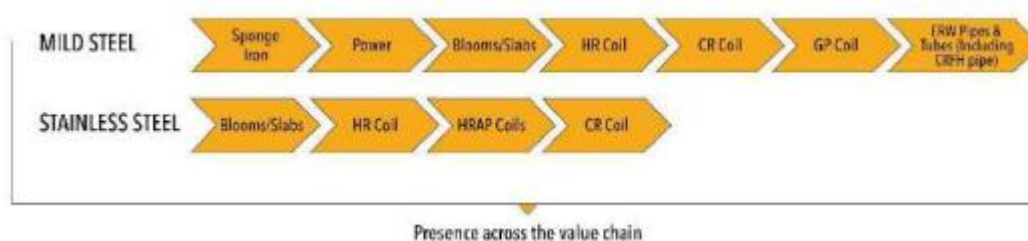
Company name	FV (Rs.)	CMP (Rs.)	MCAP (Rs. cr)	EV (Rs.)	6M Return (%)	12M Return (%)	FY24 Revenue (Rs. cr)	FY24 EBITDA (Rs. cr)	FY24 PAT (Rs. cr)	FY24 EBITDA margin (%)	FY24 PAT margin (%)
Sambhv Steel Tubes Ltd.	10	82	2,416	3,067	-	-	1,286	160	82	12.4%	6.4%
APL Apollo Tubes Ltd.	2	1,772	49,175	49,971	13.7%	12.2%	18,119	1,193	732	6.6%	4.0%
Surya Roshni Ltd.	5	331	7,210	7,180	18.1%	7.9%	7,809	572	329	7.3%	4.2%
JTL Industries Ltd.	1	75	2,856	2,770	-21.5%	-30.4%	2,039	152	113	7.5%	5.5%
Hi-Tech Pipes Ltd.	1	97	1,966	2,342	-37.9%	-30.4%	2,699	115	44	4.3%	1.6%
Rama Steel Tubes Ltd	1	12	1,884	2,012	-0.8%	1.6%	1,047	59	30	5.6%	2.9%
Hariom Pipe Industries Ltd	10	385	1,192	1,531	-27.1%	-32.6%	1,153	139	57	12.1%	4.9%
Average										7.2%	3.9%

Company name	3Y top-line growth (CAGR)	3Y EBITDA growth (CAGR)	3Y PAT growth (CAGR)	Average 3Y EBITDA margin	Average 3Y PAT margin	3Y average RoE	3Y average RoCE	Avg 3Y Receivable days	Avg 3Y Inventory Days	Avg 3Y Payable Days	Net Worth
Sambhv Steel Tubes Ltd.	25.3%	13.3%	6.9%	13.4%	7.2%	31.9%	21.6%	12	49	14	532
APL Apollo Tubes Ltd.	17.8%	12.3%	8.7%	6.7%	4.2%	25.2%	28.0%	5	35	41	3,605
Surya Roshni Ltd.	0.5%	13.6%	26.7%	6.9%	3.7%	16.8%	20.0%	37	64	27	2,166
JTL Industries Ltd.	22.7%	30.7%	36.1%	7.5%	5.3%	35.8%	31.7%	32	38	7	774
Hi-Tech Pipes Ltd.	19.9%	6.7%	4.9%	4.7%	1.8%	13.5%	14.0%	33	610	277	576
Rama Steel Tubes Ltd	16.8%	18.5%	5.4%	5.0%	2.8%	16.8%	16.0%	63	54	63	335
Hariom Pipe Industries Ltd	63.6%	57.5%	33.5%	12.6%	6.5%	24.1%	20.0%	37	149	12	464
Average	23.5%	23.2%	19.2%	7.2%	4.1%	22.0%	21.6%	35	158	71	

Company name	Total Debt	Cash	FY24 RoE (%)	FY24 RoCE (%)	P / E	P / B	EV / Sales	EV / EBITDA	MCAP / Sales	EPS (Rs.)	BVPS (Rs.)	D/E
Sambhv Steel Tubes Ltd.	1,100	449	15.5%	17.1%	29.3	4.5	2.4	19.2	1.9	2.8	18	2.1
APL Apollo Tubes Ltd.	1,144	348	20.3%	25.0%	67.3	13.7	2.8	41.9	2.7	26.3	130	0.3
Surya Roshni Ltd.	16	46	15.2%	21.0%	21.9	3.3	0.9	12.6	0.9	15.1	99	0.0
JTL Industries Ltd.	20	106	14.6%	23.0%	25.3	3.7	1.4	18.2	1.4	3.0	20	0.0
Hi-Tech Pipes Ltd.	402	26	7.6%	12.0%	44.7	3.4	0.9	20.4	0.7	2.2	28	0.7
Rama Steel Tubes Ltd	145	17	9.0%	12.0%	62.5	5.6	1.9	34.1	1.8	0.2	2	0.4
Hariom Pipe Industries Ltd	371	32	12.3%	15.0%	20.9	2.6	1.3	11.0	1.0	18.4	150	0.8
Average			13.2%	18.0%	40.4	5.4	1.5	23.0	1.4			0.4

Note: Considered financials for the period during FY22-24 (with IPO adjustments); Source: Choice Broking Research

- SSTL is among the few players in India manufacturing stainless steel coils with backward integration, producing SS blooms/slabs in-house, which are captively used to manufacture HR coils, SS Hot rolled annealed and pickled coils, and CR coils.
- Company's manufacturing facilities are located at Sarora (Tilda) with a total installed capacity of 1,122,400 MTPA as of FY24 and 1,540,000 MTPA as of FY25 and Kuthrel in Raipur, Chhattisgarh with a total installed capacity of 158,000 MTPA as of FY25. It is strategically positioned near key raw material sources. It procures high-grade DRCLO (Directly Reduced Calibrated Lump Ore) iron ore from a Navratna PSU and source coal from a Maharatna PSU's subsidiary, which operates Asia's largest coal mines, located just 250 km from Sarora facility.
- In FY25, the company commenced operations at its second manufacturing unit, the Kuthrel Facility, which is primarily focused on the production of value-added products including galvanized plain (GP) coils and pipes, as well as stainless steel HRAP and CR coils.
- The Sarora Facility features advanced technology, including a hot rolling mill with Hydraulic Automatic Gauge Control (HAGC) for precise control of HR coil thickness and surface quality, enabling them to match the standards of primary HR coil manufacturers. This allows them to produce narrow-width HR coils in-house, reducing reliance on external suppliers and enabling customized ERW pipe and tube production.
- SSTL produces various ERW pipes and tubes available in
 - thickness ranging from 1.00 mm to 5.00 mm with the following configuration
 - (i) square section ranging from 15.00 x 15.00 mm to 113.00 x 113.00 mm;
 - (ii) rectangular section ranging from 40.00 x 20.00 mm to 145.00 x 82.00 mm and
 - (iii) round pipes ranging from 15 nominal bore ("NB") to 125 NB.
 - large diameter pipes from wider coils ranging up to 6.00 mm of thickness with the following configuration
 - (i) square section up to 150.00 x 150.00 mm;
 - (ii) rectangular section up to 200.00 x 100.00 mm and
 - (iii) round pipes up to 150 NB.



Key highlights of the company (Contd...):

- To enhance productivity and sustainability, SSTL expanded its **captive power plant capacity** from **15 Megawatt in FY24 to 25 MW in FY25**, comprising a **16 MW** Waste heat recovery boiler and a **9 MW** Atmospheric fluidized bed combustion **system**, supplying power to the Sarora (Tilda) Facility. As of March 31, 2025, this plant meets up to **56.40%** of the facility's power needs (up from 43.70% in FY24), leading to significant cost savings. The company also operates a **dedicated 132 kVA power transmission line**, reinforcing its commitment to energy efficiency and reduced environmental impact.
- As of December 31, 2024, the company has 37 distinct distributors with two distributors distributing through six branches in 15 states and one union territory taking the total distributor network to 43. These distributors in turn distribute finished products through over 700 dealers in India. As of 9MFY25, the distributors contributed 63.83% of the revenue from operations.
- SSTL is also planning to commission a greenfield manufacturing facility in Village - Kesda, District Baloda Bazar Bhatapara, Chhattisgarh. This facility will be operated by the subsidiary, Sambhv Tubes Private Limited. The company intends to add an installed capacity of approximately 1.20 MMTA of finished product in three phases.
- As of 9MFY25, states like Chhattisgarh, Gujarat, Maharashtra contributes 31.65%, 17.51%, and 16.48% of the revenue from operations, respectively. Whereas, these states contributes 29.57%, 17.67%, and 18.13%, respectively in FY24.
- For the 9MFY25, SSTL reported a total production volume of 6,57,189 MTPA and sales volume of 1,98,955 MTPA. Key contributors included ERW pipes and tubes, blooms (mild steel), followed by HR coils (mild steel). For the FY24, the company has a total production volume of 7,62,935 MTPA and sales volume of 2,23,261 MTPA. These figures highlight steady capacity utilization and the company's strong operational performance during the period.

Peer comparison and valuation: Sambhv Steel Tubes Ltd is a leading Indian manufacturer of ERW steel pipes and structural tubes (hollow sections), ranked by installed capacity as of FY24. Leveraging a backward-integrated manufacturing setup, the company has evolved from producing sponge iron in 2018 to offering a wide range of value-added products. As of FY24, it holds approximately 2% market share in India's ERW pipe segment (by sales volume) and has carved a niche in the narrow-width HR coil-based ERW pipe segment, catering to industries such as automotive, electricals, furniture, and fitness equipment.

At a higher price band the company is demanding a valuation of a P/E of 29.3x (based on FY24 EPS of Rs. 2.8) and EV/Sales of 2.4x, this valuation seems to be fully priced compared to its peer average. Annualizing 9MFY25 earnings (EPS of ₹1.8), the implied P/E rises to 44.5x, reflecting a temporary decline in profitability due to ongoing facility expansions. Backed by fully integrated operations and in-house manufacturing capabilities, the company is well-positioned to capitalize on this sectoral growth. While there may be short-term pressure on margins, the company's ongoing expansion and favorable industry dynamics point to strong long-term growth potential. Therefore, we recommend a **"Subscribe for Long Term"** rating for issue.

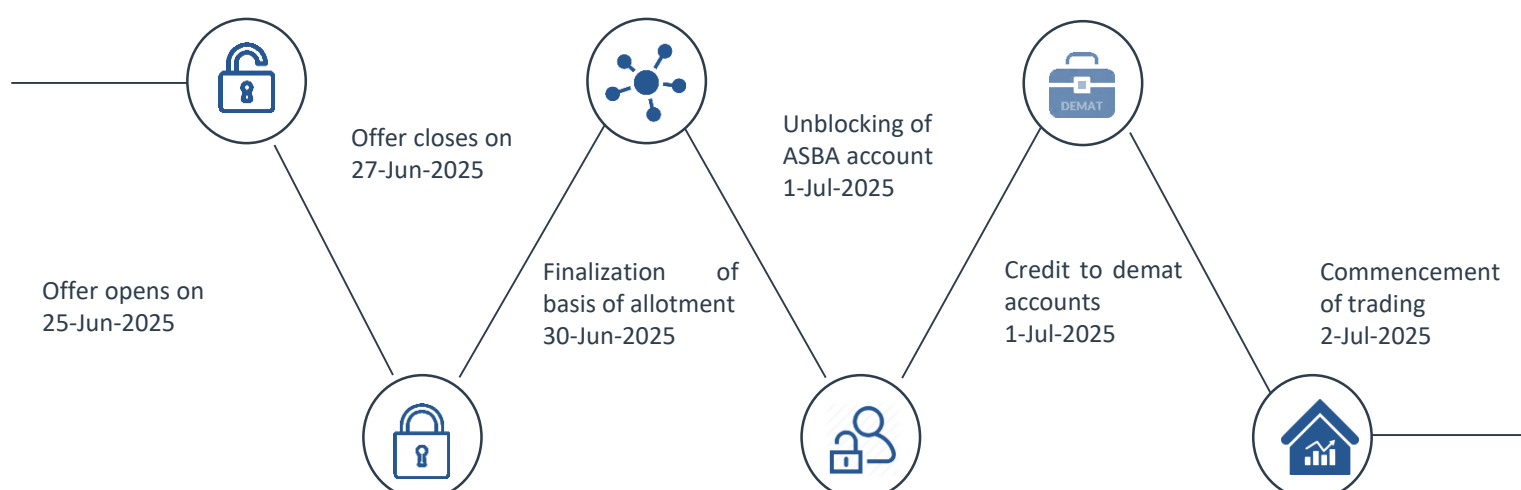
About the issue:

- Sambhv Steel Tubes Ltd. is coming up with an IPO with 6.585 - 7.013cr shares (fresh issue: 5.366 - 5.714cr shares; OFS shares: 1.220 - 1.299cr shares) in offering. This offer represents 22.35% of the post-issue paid-up equity shares of the company. Total IPO size is Rs. 540.0cr.
- The issue is through book building process with a price band of Rs. 77 - 82 per share.
- Lot size comprises of 182 equity shares and in-multiple of 182 shares thereafter.
- 0.032cr shares are reserved for eligible employees, with employee discount of Rs 4 per share.
- The issue will open on 25th Jun, 2025 and close on 27th Jun, 2025.
- This public issue is a combination of fresh issue (Rs. 440.0cr) and OFS (Rs. 100.0cr). From the fresh issue net proceeds, the company will be utilizing Rs. 390.0cr for Pre-payment or scheduled re-payment of a portion of certain outstanding borrowings availed by the company. Residual proceeds will be used for general corporate purposes.
- Some of the promoter & promoter group (P&PG) entities are participating in the OFS and offloading 0.793cr equity shares. Post-IPO, the P&PG and public shareholders will have 56.14% and 43.86% stake in the company, respectively.
- 50% of the net issue is reserved for qualified institutional buyers, while 15% and 35% of the net issue is reserved for non-institutional bidders and retail investors, respectively.

Pre and post-issue shareholding pattern (%)		
	Pre-issue	Post-issue (at higher price band)
Promoter & promoter group	71.93%	56.14%
Public	28.07%	43.86%
Non-promoter & Non-public	0.00%	0.00%

Source: Choice Equity Broking

Indicative IPO process time line:



Pre-issue financial performance:

Performance over FY22-24: On the financial performance front, SSTL has seen a rise in the business during FY22-24, primarily due to an increase in sale of (i) finished goods, and (ii) stock-in-trade and other income.

The company's growth has increased, with total operating revenue reaching to Rs. 1,016.1cr, reflecting a CAGR of 25.3%. This increase was because of the increase in the sale of products and job work income. It has a decrease in material costs and inventories, but a significant rise in stock-in-trade as a percentage of revenue. The gross profit margin, therefore increased by 408bps, bringing it to 28.4% in FY24.

With increasing employee benefit expenses and other expenses, EBITDA margin decreased by (276)bps to 12.4% in FY24 from 15.2% in FY22. However, consolidated EBITDA increased by 13.3% CAGR to Rs. 160cr in FY24. This in turn leads to a (239)bps decrease in the PAT margin, declining it to 6.4% in FY24 from 8.8% in FY22 but a slight rise in the reported PAT by a CAGR of 6.9%, reaching Rs. 82.4cr in FY24 from Rs. 72.1cr in FY22.

SSTL has its borrowings increased over the years, however the debt-to-equity ratio declines to 0.8x in FY24 from 1.6x in FY22. Pre-issue RoIC and RoE stood at 18.1% and 18.8%, respectively, in FY24.

Pre-issue financial snapshot (Rs. cr)	FY22	FY23	FY24	9MFY24	CAGR over FY22-24	Y-o-Y (FY24 annual)
Revenue bifurcation by product segment						
ERW black pipes and tubes	-	356.9	944.8	781.2	-	164.7%
Blooms / Slabs	225.2	202.6	136.4	130.5	-22.2%	-32.7%
GI Pipes	-	43.1	81.3	9.7	-	88.7%
HR Coil	502.4	259.3	25.1	5.1	-77.6%	-90.3%
Others	91.7	74.2	94.2	86.7	1.4%	27.0%
Industry- wise revenue bifurcation						
Traders (including distributors)	80.3	357.6	980.9	821.6	249.4%	174.3%
Steel Manufacturers	635.5	535.9	268.0	164.0	-35.1%	-50.0%
Infrastructure	-	-	4.1	1.9	-	-
Construction	-	0.5	4.1	0.4	-	725.9%
Cement Manufacturers	0.1	0.1	0.1	0.0	-13.9%	-42.6%
Plastic Manufacturers	-	0.0	0.0	0.0	-	0.0%
Other Manufacturers	103.4	43.0	28.6	28.1	-47.4%	-33.5%
Revenue from operations	819.3	937.2	1,285.8	1,016.1	25.3%	37.2%
Gross profit	199.5	240.5	365.6	309.5	35.4%	52.0%
EBITDA	124.5	117.3	159.9	106.4	13.3%	36.3%
Reported PAT	72.1	60.4	82.4	40.7	6.9%	36.5%
Restated adjusted EPS	2.4	2.0	2.8	1.4		
Cash flow from operating activities	34.5	65.6	142.4	(42.1)	103.2%	117.3%
NOPLAT	85.3	75.3	103.4	61.2	10.1%	37.4%
FCF	(3.4)	(19.5)	(128.3)	(110.1)	511.8%	558.0%
RoIC (%)	30.6%	20.5%	18.1%	8.0%	(1,244) bps	(243) bps
Revenue growth rate	-	14.4%	37.2%	-	-	2,280 bps
Gross profit growth rate	-	20.5%	52.0%	-	-	3,146 bps
Gross profit margin	24.4%	25.7%	28.4%	30.5%	408 bps	277 bps
EBITDA growth rate	-	-5.8%	36.3%	-	-	-
EBITDA margin	15.2%	12.5%	12.4%	10.5%	(276) bps	(8) bps
Restated PAT growth rate	-	-16.3%	36.5%	-	-	-
Restated PAT margin	8.8%	6.4%	6.4%	4.0%	(239) bps	(3) bps
Inventories days	54.1	51.2	41.2	93.4	-12.7%	-19.5%
Trade receivables days	7.0	9.8	18.3	48.9	61.9%	86.8%
Trade payables days	(13.8)	(11.5)	(17.9)	(64.5)	13.9%	55.0%
Cash conversion cycle	47.3	49.4	41.6	77.8	-6.2%	-15.9%
Total asset turnover ratio	1.8	1.9	1.7	0.7	-1.8%	-7.1%
Current ratio	1.2	1.3	1.1	0.9	-4.6%	-20.0%
Total debt	246.6	291.9	363.3	713.7	21.4%	24.4%
Net debt	246.5	291.7	355.7	712.6	20.1%	21.9%
Debt to equity	1.7	1.4	0.8	1.5	-29.2%	-40.3%
Net debt to EBITDA	2.0	2.5	2.2	6.7	6.0%	-10.5%
RoE	48.3%	28.7%	18.8%	8.5%	(2,949) bps	(989) bps
RoA	15.7%	11.9%	11.0%	2.9%	(468) bps	(90) bps
RoCE	28.1%	19.6%	17.1%	6.9%	(1,108) bps	(249) bps

Note: Pre-IPO financials; Source: Choice Equity Broking

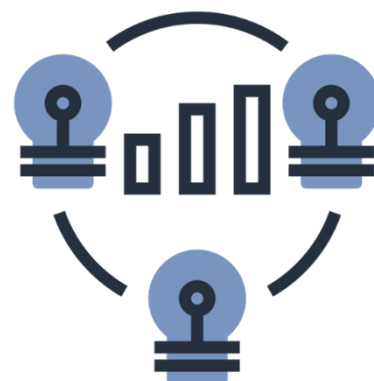


Competitive strengths:

- A single location backward integrated facility in India
- Strategically located manufacturing plants resulting in operational efficiencies
- Strong process innovation and execution capabilities allowing us to produce value-added products
- Wide-spread well connected distribution network across India
- Well-positioned to take advantage of the growing demand for quality ERW steel pipes and tubes
- Track record of healthy financial performance
- Experienced promoters and management team with vast experience in the steel industry

Business strategy:

- Production capacity expansion with focus on valued added products
- Expanding distributor network and increasing business share from existing distributors and direct customers
- Continue to focus on value added products and customization
- Continue to focus on operational and cost optimization
- Continue our emphasis on brand building



Risk and concerns:

- Under-utilization of manufacturing capacities
- High dependence on ERW pipe sale
- Geographical concentration in North and West India
- Raw material price volatility or supply disruptions
- Adverse macroeconomic and geopolitical conditions
- Competition

Financial statements:

Restated consolidated profit and loss statement (Rs. cr)						
	FY22	FY23	FY24	9MFY25	CAGR over FY22-24	Annual growth over FY23
Revenue from operations	819.3	937.2	1,285.8	1,016.1	25.3%	37.2%
Cost of material consumed	(634.5)	(670.0)	(828.7)	(736.3)	14.3%	23.7%
Purchase of stock-in-trade	(13.5)	(56.9)	(105.7)	(7.6)	179.4%	85.7%
Changes in inventories of finished goods & stock-in-trade	28.2	30.2	14.2	37.2	-29.0%	-53.0%
Gross profit	199.5	240.5	365.6	309.5	35.4%	52.0%
Employee benefits expenses	(23.5)	(41.5)	(57.1)	(60.8)	56.0%	37.8%
Other expenses	(51.6)	(81.8)	(148.6)	(142.3)	69.7%	81.7%
EBITDA	124.5	117.3	159.9	106.4	13.3%	36.3%
Depreciation & amortization expenses	(10.1)	(16.2)	(20.9)	(22.6)	43.7%	29.5%
EBIT	114.4	101.1	139.0	83.8	10.2%	37.4%
Finance costs	(19.1)	(21.8)	(31.8)	(30.8)	29.0%	45.8%
Other income	1.4	1.8	3.6	2.7	60.5%	102.8%
PBT	96.7	81.1	110.8	55.7	7.0%	36.5%
Tax expenses	(24.6)	(20.7)	(28.3)	(15.0)	7.4%	36.6%
Reported PAT	72.1	60.4	82.4	40.7	6.9%	36.5%

Restated consolidated balance sheet statement (Rs. cr)						
	FY22	FY23	FY24	9MFY25	CAGR over FY22-24	Annual growth over FY23
Equity share capital	20.1	20.1	241.0	241.0	246.4%	1099.6%
Other Equity	129.2	190.3	197.3	237.5	23.6%	3.7%
Non-current borrowings	136.5	169.0	181.4	345.4	15.3%	7.4%
Non-current lease liabilities	0.2	2.2	3.5	2.1	316.3%	58.1%
Non-current provisions	0.9	0.8	1.4	2.6	25.2%	65.6%
Deferred Tax Liabilities (Net)	9.7	14.2	18.8	28.0	39.0%	32.0%
Trade payables	31.0	28.3	97.8	179.6	77.7%	245.7%
Current borrowings	104.8	113.8	165.4	273.8	25.7%	45.4%
Current lease liabilities	0.1	0.0	0.1	0.2	-6.6%	186.7%
Other current financial liabilities	4.9	6.9	12.8	92.2	60.7%	85.7%
Other current liabilities	8.0	5.7	13.5	8.7	29.9%	138.4%
Current provisions	0.0	0.1	0.2	0.8	192.4%	66.4%
Current tax liabilities (net)	13.0	0.7	6.9	-	-27.2%	927.5%
Total liabilities	458.5	552.1	940.1	1,411.8	43.2%	70.3%
PP&E	235.3	294.0	336.7	754.0	19.6%	14.5%
Capital work-in-progress	16.7	21.5	215.6	78.6	259.4%	902.5%
Goodwill	-	-	-	0.6	-	-
Other intangible assets	0.2	0.1	0.1	0.0	-47.8%	-60.2%
Investments accounted for using the equity method	-	-	-	0.0	-	-
Loans	0.0	0.0	0.1	0.2	117.6%	83.7%
Other non-current financial assets	5.8	8.7	15.3	26.0	61.9%	76.0%
Other non-current assets	11.5	21.4	57.1	61.3	122.6%	167.1%
Inventories	121.5	141.4	149.1	260.0	10.8%	5.4%
Trade receivables	15.6	34.6	94.1	136.0	145.3%	172.2%
Cash & cash equivalents	0.1	0.2	7.6	1.1	1024.3%	3749.7%
Other bank balances	8.3	7.5	35.4	7.9	106.2%	371.7%
Loans	0.2	0.2	0.5	1.0	57.3%	162.7%
Other current financial assets	0.2	0.4	1.7	1.0	192.3%	362.7%
Other current assets	43.1	22.1	27.0	78.5	-20.8%	22.2%
Current tax assets (net)	-	-	-	5.7	-	-
Total assets	458.5	552.1	940.1	1,411.8	43.2%	70.3%

Source: Choice Equity Broking

Financial statements (Contd...):

Restated consolidated cash flow statement (Rs. cr)						
	FY22	FY23	FY24	9MFY25	CAGR over FY22-24	Annual growth over FY23
Cash flow before working capital changes	124.3	118.0	159.9	107.3	13.4%	35.6%
Working capital changes	(80.0)	(23.3)	0.6	(131.3)	-	-102.6%
Cash flow from operating activities	34.5	65.6	142.4	(42.1)	103.2%	117.3%
Purchase of fixed assets & CWIP	(98.9)	(87.1)	(284.9)	(193.9)	69.8%	227.1%
Cash flow from investing activities	(100.2)	(84.9)	(311.6)	(200.1)	76.3%	267.0%
Cash flow from financing activities	65.7	19.5	176.6	235.7	64.0%	806.1%
Net cash flow	(0.1)	0.1	7.4	(6.5)	-	5292.0%
Opening balance of cash	0.1	0.1	0.2	7.6	23.6%	228.3%
Closing balance of cash from continuing operations	0.1	0.2	7.6	1.1	1024.3%	3749.7%

Financial ratios				
Particulars	FY22	FY23	FY24	9MFY25
Profitability ratios				
Revenue growth rate	-	14.4%	37.2%	-
Gross profit growth rate	-	20.5%	52.0%	-
Gross profit margin	24.4%	25.7%	28.4%	30.5%
EBITDA growth rate	-	-5.8%	36.3%	-
EBITDA margin	15.2%	12.5%	12.4%	10.5%
EBIT growth rate	-	-11.6%	37.4%	-
EBIT margin	14.0%	10.8%	10.8%	8.2%
Restated PAT growth rate	-	-16.3%	36.5%	-
Restated PAT margin	8.8%	6.4%	6.4%	4.0%
Turnover ratios				
Inventory turnover ratio	6.7	7.1	8.9	3.9
Trade receivable turnover ratio	52.4	37.3	20.0	7.5
Accounts payable turnover ratio	26.4	31.6	20.4	5.7
Fixed asset turnover ratio	3.2	3.3	3.0	1.2
Total asset turnover ratio	1.8	1.9	1.7	0.7
Liquidity ratios				
Current ratio	1.2	1.3	1.1	0.9
Quick ratio	0.4	0.4	0.6	0.4
Total debt	246.6	291.9	363.3	713.7
Net debt	246.5	291.7	355.7	712.6
Debt to equity	1.7	1.4	0.8	1.5
Net debt to EBITDA	2.0	2.5	2.2	6.7
Cash flow ratios				
CFO to PAT	0.5	1.1	1.7	(1.0)
CFO to Capex	0.3	0.8	0.5	(0.2)
CFO to total debt	0.1	0.2	0.4	(0.1)
CFO to current liabilities	0.2	0.4	0.5	(0.1)
Return ratios				
RoIC (%)	30.6%	20.5%	18.1%	8.0%
RoE (%)	48.3%	28.7%	18.8%	8.5%
RoA (%)	15.7%	11.9%	11.0%	2.9%
RoCE (%)	28.1%	19.6%	17.1%	6.9%
Per share data				
Restated EPS (Rs.)	2.4	2.0	2.8	1.4
BVPS (Rs.)	5.1	7.1	14.9	16.2
Operating cash flow per share (Rs.)	1.2	2.2	4.8	(1.4)
Free cash flow per share (Rs.)	(0.1)	(0.7)	(4.4)	(3.7)

IPO rating rationale

Subscribe: An IPO with strong growth prospects and valuation comfort.

Subscribe for Long Term: Relatively better growth prospects but with valuation discomfort.

Avoid: Concerns on both fundamentals and demanded valuation.

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