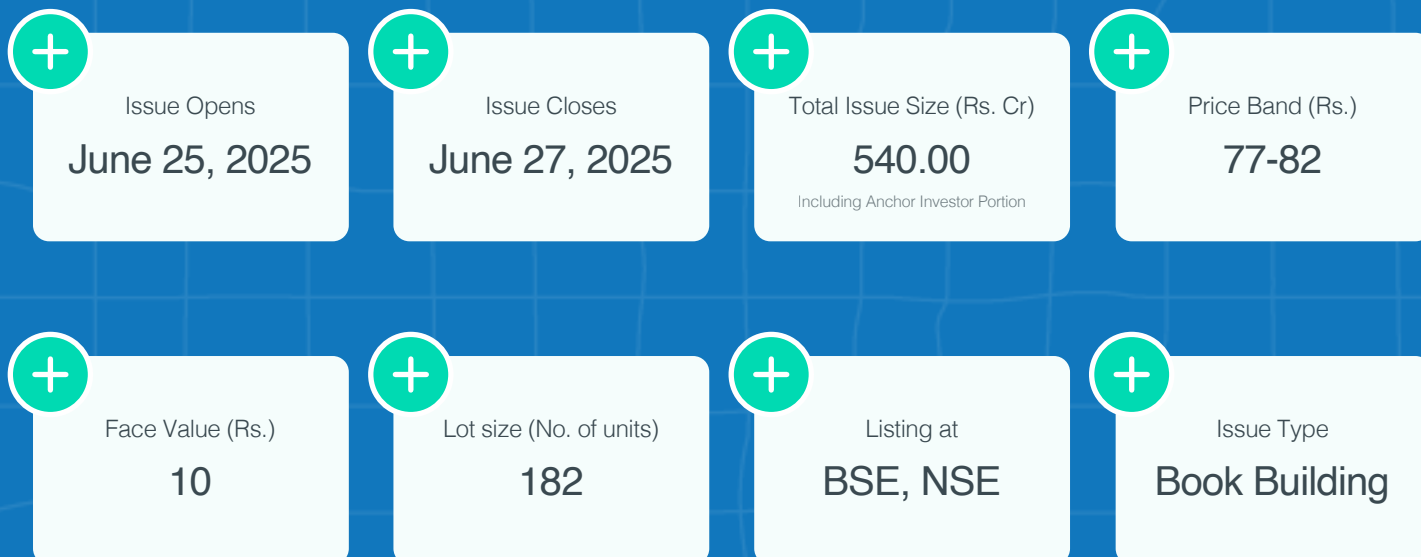


SAMBHV STEEL TUBES LIMITED



Tentative Timetable

| | |
|-----------------------------------|---------------|
| Basis of Allotment Date | June 30, 2025 |
| Initiation of Refunds | July 01, 2025 |
| Credit of Shares to Demat Account | July 01, 2025 |
| IPO Listing Date | July 02, 2025 |

Application Structure

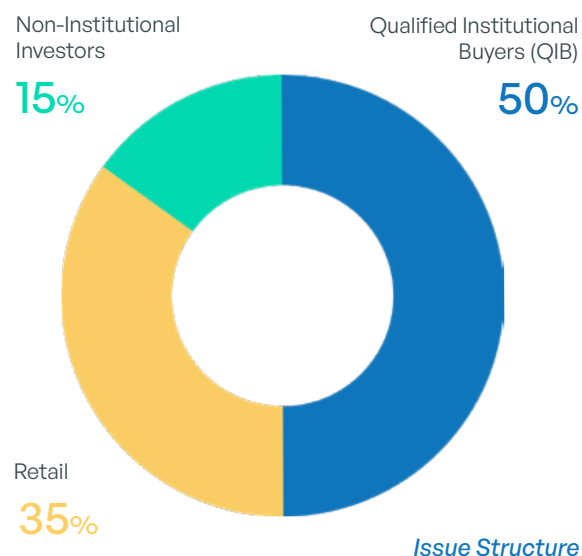
| Application | Lot | Shares | Amount |
|--------------|-----|--------|----------|
| Retail (Min) | 1 | 182 | 14,924 |
| Retail (Max) | 13 | 2366 | 1,94,012 |

Book Running Lead Managers

| |
|---|
| Nuvama Wealth Management Limited |
| Motilal Oswal Investment Advisors Limited |

Registrar

KFIN Technologies Limited





Company Background

Sambhv Steel Tubes Limited ranks among the leading producers of electric resistance welded (ERW) steel pipes and structural tubes (hollow sections) in India based on installed production capacity. Its backward-integrated operations enable the manufacturing of a wide variety of finished products, such as ERW black pipes and hollow section tubes, pre-galvanized (GP) pipes, Cold Rolled Full Hard (CRFH) pipes, galvanized iron (GI) pipes, and steel door frames. These are produced using intermediate materials like sponge iron, blooms/slabs, hot rolled (HR) coils, cold rolled (CR) coils (mild steel), and GP coils—all of which are manufactured internally.

The company is one of only two manufacturers in India that produces ERW steel pipes and tubes, including hollow sections, using narrow-width HR coils. Its products are designed to resist corrosion and are customized to suit specific industry needs, making them suitable for diverse applications in sectors such as housing and infrastructure, water supply, agriculture, automotive, telecommunications, oil and gas, engineering, solar power, fire safety systems, and conveyor support structures. The company has built a robust distribution network across India, spanning 15 states and one union territory.

Its current production units are in Village Sarora, Tehsil Tilda, Raipur (referred to as the “Sarora (Tilda) Facility”) and Village Kuthrel, in Raipur District, Chhattisgarh (referred to as the “Kuthrel Facility”). Both sites are situated in the resource-rich state of Chhattisgarh and are strategically positioned near key suppliers of raw materials.

Objects of the Issue

The company proposes utilizing the Net Proceeds of the Fresh Issue towards funding the following objects:

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

Strengths

- A single location backward integrated facility in India.
- Strategically located manufacturing plants result in operational efficiencies.
- Strong process innovation and execution capabilities allowing company 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.

Risks

- Under-utilization of the manufacturing capacities and an inability to effectively utilize the expanded manufacturing capacities.
- Depending on certain key suppliers for certain raw materials and have not entered into definitive supply agreements with most of the suppliers.
- Financing arrangements contain restrictive covenants.
- Any disruption or shortage of essential utilities could disrupt the manufacturing operations.

Profit and Loss

| Particulars | For the year/period ended (in Rs. Mn) | | | |
|------------------------|---------------------------------------|-------------------|-------------------|-------------------|
| | 9M FY25 (Consolidated) | FY24 (Standalone) | FY23 (Standalone) | FY22 (Standalone) |
| Revenue from Operation | 10,160.92 | 12,857.57 | 9,372.20 | 8,193.49 |
| Other Income | 27.14 | 36.18 | 17.84 | 14.04 |
| Total Income | 10,188.06 | 12,893.75 | 9,390.04 | 8,207.53 |
| EBITDA | 1,063.67 | 1,598.72 | 1,173.00 | 1,245.15 |
| EBITDA Margin (%) | 10.47 | 12.43 | 12.52 | 15.20 |
| Profit Before Tax | 557.04 | 1,107.65 | 811.17 | 966.75 |
| Tax | 150.19 | 283.26 | 207.34 | 245.67 |
| Profit After Tax | 406.85 | 824.39 | 603.83 | 721.08 |

CA & CL Key Parameters

| Particulars | For the year/period ended (in Rs. Mn) | | | |
|-----------------------------|---------------------------------------|-------------------|-------------------|-------------------|
| | 9M FY25 (Consolidated) | FY24 (Standalone) | FY23 (Standalone) | FY22 (Standalone) |
| Current Assets | | | | |
| Trade receivables | 1,360.22 | 940.97 | 345.65 | 156.44 |
| Cash and cash equivalents | 90.52 | 429.87 | 77.03 | 83.89 |
| Other Current Assets | 784.79 | 270.29 | 221.17 | 430.63 |
| Current Liabilities | | | | |
| Trade Payables | 1795.69 | 977.68 | 282.85 | 309.78 |
| Other financial Liabilities | 922.37 | 127.61 | 68.73 | 49.42 |

Debt Matrices

| Particulars | For the year/period ended (in Rs Million) | | | |
|----------------------|---|-------------------|-------------------|-------------------|
| | 9M FY25 (Consolidated) | FY24 (Standalone) | FY23 (Standalone) | FY22 (Standalone) |
| Long Term Borrowing | 3,453.59 | 1,814.28 | 1,689.92 | 1,365.00 |
| Short Term Borrowing | 2,737.90 | 1,654.48 | 1,137.80 | 1,047.88 |
| TOTAL | 6,191.49 | 3,468.76 | 2,827.72 | 2,412.88 |

Cash Flows

| Particulars | For the year/period ended (in Rs Million) | | | |
|-------------|---|-------------------|-------------------|-------------------|
| | 9M FY25 (Consolidated) | FY24 (Standalone) | FY23 (Standalone) | FY22 (Standalone) |
| CFO | -421.26 | 1,424.28 | 655.52 | 344.95 |
| CFI | -2,001.28 | -3,116.00 | -849.00 | -1,002.48 |
| OFF | 2,357.44 | 1,765.59 | 194.85 | 656.84 |

Our View

India is the second-largest steel producer in the world which produced around 140 million tonnes of crude steel, accounting for a share of 7.4% in global crude steel production in 2023. However, with increasing thrust on infrastructure development, the underpenetrated Indian steel market holds considerable growth potential. Given the huge population and low level of per capita steel consumption in India, the steel industry has the potential to become a key economic growth driver of the country. Going forward, domestic steel pipe demand is projected to increase at an 8-9% CAGR during the period between Fiscal 2025 and Fiscal 2029. The growth would primarily be led by the structural infrastructure and irrigation sectors, which would continue to account for 50-55% of total domestic steel pipe demand. Sambhv Steel Tubes, which is one of only two manufacturers in India producing ERW steel pipes and tubes including hollow sections using narrow-width HR coils, is well-positioned to benefit from this projected growth. The company is looking for production capacity expansion with a focus on value-added products and expanding the distributor network and increasing business share from existing distributors and direct customers. Investors looking to invest can invest in the IPO for the long term.

INVEST NOW

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