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RINKLE
SHAILESH VIRA

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Issue Details

Issue Details	
Issue Size (Value in ` million, Upper Band)	4,140
Fresh Issue (No. of Shares in Lakhs)	435.8
Offer for Sale (No. of Shares in Lakhs)	75.3
Bid/Issue opens on	09-Sept-26
Bid/Issue closes on	11-Sept-26
Face Value	Rs.2
Price Band	Rs. 77-81
Minimum Lot	185

Objects of the Issue:

➤ Fresh Issue: ₹3,530 Million

- Funding Capex of the Ankleshwar Facility (Phase 3) & Panoli Facility (Phase 2).
- capital expenditure in relation to the setting up of a manufacturing facility for generation of steam at Dahej SEZ
- General corporate purposes

➤ Offer for sale: ₹610 Million

Book Running Lead Managers	
Equirus Capital limited	
Registrar to the Offer	
Kfin Technologies Ltd	

Capital Structure (` Million)	Aggregate Value
Authorized share Capital	650
Subscribed paid up Capital (Pre-Offer)	466
Paid up capital (Post - Offer)	553

Share Holding Pattern %	Pre Issue	Post Issue
Promoters & Promoter group	100.0%	73.0%
Public	0.0%	27.0%
Total	100%	100%

Financials

Particulars (Rs. In Million)	FY26	FY25	FY24
Revenue from operations	4,915	3,951	2,917
Operating expenses	4,080	3,258	2,233
EBITDA	835	693	684
Other Income	35	34	14
Depreciation	140	116	79
EBIT	730	611	620
Interest	217	222	187
Share in Profit/Loss in JV	-	-	-
PBT	512	390	433
Tax	126	78	161
Exceptional Item	-	-	-
Consolidated PAT	386	312	272
EPS	1.7	1.3	1.2
Ratio	FY26	FY25	FY24
EBITDAM	17.0%	17.5%	23.5%
PATM	7.9%	7.9%	9.3%
Sales growth	24.4%	35.4%	-

Company Description

Incorporated in June 2015, SteamHouse India is an industrial utility solutions provider engaged in the generation, sourcing and centralized distribution of steam and nitrogen to industrial customers through its extensive pipeline network.

The company's industrial gas business consists of generation and distribution of steam through its community boiler system and pipelines; purchase of steam produced by other steam generating entities and distribute it to its customers through its pipeline and extract nitrogen from atmospheric air by separating it from other atmospheric gases, compressing it and supplying purified nitrogen through its pipeline network.

The company's community-based infrastructure enables customers to outsource utility generation, thereby reducing the need for individual infrastructure and associated operating costs. currently operates 7 community steam boilers (6 owned and 1 leased) in Gujarat with a combined installed plant capacity for steam aggregating 345 tonnes per hour, which translates to an annual installed capacity of 21,85,920 tonnes per annum. These plants are in Ankleshwar, Vapi, Sachin GIDC, Sarigam, Dahej, Nandesari and Panoli.

Alongside steam generation and distribution, the company also operates in nitrogen separation, compression and distribution, steam sourcing and coal trading. Its diversified industrial customer base, including Aether Industries, Anupam Rasayan, Globe Enviro Care and Gujarat Polysol Chemicals, provides a relatively broad end-user base across the chemical and allied industries.

Valuation:

Steamhouse India specializes in the generation and centralized pipeline distribution of industrial gases, primarily steam and nitrogen, for industrial customers. It is a pioneer of the community boiler system in India, offering a shared pipeline-based alternative that eliminates the need for individual customers to maintain their own steam infrastructure.

The company's key competitive advantage lies in its extensive, exclusive pipeline distribution network spanning 60,151 metres as of July 31, 2026. High entry barriers, including limited space availability within established industrial clusters and customers' reluctance to create multiple steam landing points, provide meaningful protection against competing networks and support long-term customer stickiness.

At the upper price band, based on FY26 earnings, the issue is valued at 57.9x P/E and 30.0x EV/EBITDA, implying a post-issue market capitalization of ₹22,389 million, making the issue aggressively priced. The proposed deployment of ₹1800 million from the fresh issue towards debt repayment is expected to materially strengthen the balance sheet, with D/E declining to 0.2x post-repayment from 1.6x in FY26, while lower interest costs should provide support to profitability. Steamhouse India is well positioned to benefit from the recovery in capacity utilisation across the chemical industry, given its established steam generation and distribution operations in Gujarat. Thus, we assign a **"Subscribe for Long Term"** rating for the issue.

Company Overview

Steamhouse India Limited is an Indian company engaged in the generation and centralized distribution of industrial gases, primarily steam and nitrogen, through its pipeline network. The company and its Promoters pioneered the community boiler system in India, introduced in 2014, providing industrial customers an alternative to maintaining individual steam-generation infrastructure. The company primarily operates through community industrial gas generation and distribution systems, supplying customers through dedicated pipelines. Having established its steam generation business, it commenced nitrogen production and supply in February 2025 through a pipeline network at its Ankleshwar facility. Nitrogen operations generated revenue of ₹5.77 million in FY26, compared with ₹0.90 million in FY25, marking the beginning of its diversification into other industrial gases. Steamhouse India Limited's industrial gas business comprises three key activities:

- **Generation & Distribution of Steam:** Steamhouse generates steam through its community boiler systems and distributes it to industrial customers through its dedicated pipeline network. This remains the company's primary business offering and provides an alternative to customers setting up individual steam-generation infrastructure.
- **Purchase & Distribution of Steam:** The company also purchases steam from third-party steam-generating entities and distributes it to industrial customers through its existing pipeline network. This model allows Steamhouse to expand its distribution capacity while requiring relatively lower capital investment.
- **Separation, Compression & Distribution of Nitrogen:** Steamhouse extracts nitrogen from atmospheric air by separating it from other gases, followed by compression and purification. The purified nitrogen is then supplied to industrial customers through the company's pipeline network.

The company also undertakes coal trading on an invoice-only basis, primarily to meet the fuel requirements of its industrial gas business. During FY26 and FY25, it supplied coal to its group companies, Sanjoo Dyeing & Printing Mills Private Limited and Sanjoo Prints Private Limited, as related-party transactions. The table below sets forth their revenue from each of their offerings and their contribution to their revenue from operations for the years indicated.

Particulars	Fiscal 2026 (₹ million)	% of Revenue	Fiscal 2025 (₹ million)	% of Revenue	Fiscal 2024 (₹ million)	% of Revenue
Generation and distribution of steam	2,563	52.1%	2,393	60.6%	2,894	99.2%
Purchase and distribution of steam	870	17.7%	779	19.7%	0	0.0%
Coal trading	1,323	26.9%	762	19.3%	0	0.0%
Generation and distribution of nitrogen	6	0.1%	1	0.0%	0	0.0%
Others*	154	3.1%	16	0.4%	23	0.8%
Total	4,915	100.0%	3,951	100.0%	2,917	100.0%

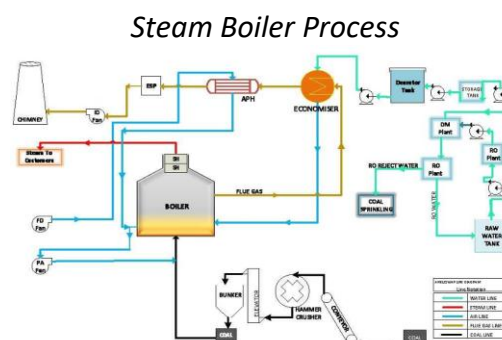
*Others include sales of flow meters, scrap, other components and revenue from construction services. Revenue from construction services represents revenue recognised in respect of the funding received from the Ahmedabad Municipal Corporation for their Pirana project and includes the right to charge for services provided under the project.

The company operates seven community steam boilers in Gujarat, comprising six owned and one leased facility, with a combined installed capacity of 345 TPH and annual installed capacity of 2,185,920 TPA. The facilities are strategically located near ports and industrial customer clusters, while steam is also distributed through purchased-steam arrangements in Dahej GIDC and Sachin GIDC. The company has entered into five-year steam purchase agreements for Dahej SEZ and Haldia, with operations expected to commence within the next 12 months. It also operates a nitrogen generation and distribution facility at Ankleshwar, commissioned in February 2025, with a capacity of 350 NM³/hour. The company uses coal and non-fossil fuels, including plastic waste and textile chindi, while exploring agro-waste and refuse-derived fuel. Its 60,151-metre pipeline network connects facilities with customer premises. The following table describes their pipeline network for the years indicated.

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Pipeline installed (in meters)	57,041	47,526	41,539

The company uses flow meters and SCADA systems for real-time monitoring of steam and gas generation, consumption, pressure, temperature and emissions. Drone-based mapping is also used to monitor pipeline leakages. It has an established industrial customer base across pharmaceuticals, chemicals, textiles, agro-chemicals, tyres, dyes and pigments, polymers and paints. Revenue from repeat customers remained high at 90.7% in FY26, indicating strong customer retention. The company is led by Promoter, Chairman and Managing Director Vishal Sanwarprasad Budhia, who has over 30 years of textile industry experience and 11 years in the community boiler industry, supported by an experienced management team.

Steam Boiler Process: The steam generation process begins with feeding fuel, typically coal, biomass or waste, into the furnace. The fuel is combusted in a fluidized bed of sand or ash, where air introduced from the bottom keeps the bed material fluidized and facilitates efficient combustion. The heat generated during combustion is transferred through the bed material to the water tubes, causing the water to evaporate and generate steam. The steam produced is collected in a steam header and subsequently channelled through the company's pipeline network for industrial use. The process also generates fly ash as a by-product, which is handled and disposed of in accordance with applicable industry norms and requirements of state pollution-control authorities. The use of fluidized-bed combustion enables effective mixing, combustion and heat transfer, supporting efficient steam generation for the company's industrial customers.



Their Facilities: The company operates seven community steam boilers in Gujarat, comprising six owned and one leased facility, with an aggregate installed capacity of 345 TPH, equivalent to annual installed capacity of 2,185,920 TPA. The facilities are strategically located near major ports and industrial customer clusters. In addition, the company distributes purchased steam in Dahej GIDC and Sachin GIDC and has entered into five-year steam purchase agreements with chemical companies in Dahej SEZ and Haldia, with operations expected to commence within the next 12 months. The company also operates a nitrogen generation and distribution facility at Ankleshwar, commissioned in February 2025, with a capacity of 350 NM³/hour. During FY26, FY25 and FY24, all plant and machinery purchased for operations was new, while second-hand machinery has been acquired on lease for the upcoming Jhagadia facility. As of March 31, 2026, gross fixed assets stood at ₹3,264.24 million, with Right to Use assets of ₹786.99 million.

The following table set forth details on their operational facilities.

Existing Facility	Address	Type of Project	Capacity	Ownership
Ankleshwar Phase 1 & Phase 2, GIDC, Gujarat	Plot No. 302, Ankleshwar GIDC, 393002	Steam Generation and Distribution	60 TPH × 2 Boilers	Registered Lease Deed
Vapi Phase 1 & Vapi WTE Unit, GIDC, Gujarat	Plot No. 1801/1, 3rd Phase, Vapi GIDC, 396195	Steam Generation and Distribution	60 TPH – 1 Boiler; 15 TPH – 1 Boiler	Leave and License
Sarigam GIDC, Valsad, Gujarat	Plot No. 2801, Sarigam GIDC, Umbergam Taluka, Valsad District, Gujarat, 396155	Steam Generation and Distribution	60 TPH – 1 Boiler	Leave and License
Nandesari GIDC, Vadodara, Gujarat	Plot No. 128/3, Nandesari GIDC, 391340	Steam Generation and Distribution	30 TPH – 1 Boiler	Registered Lease Deed
Ankleshwar, GIDC, Gujarat	Plot 303/C, Ankleshwar GIDC, 393002	Nitrogen Facility	350 NM ³ /HR	Leave and License
Panoli, GIDC	Plot 510-511-512, Panoli GIDC, Bharuch-394115	Steam Generation and Distribution	60 TPH – 1 Boiler	Deed of Assignment – 99 Years
Sachin GIDC	—	Only Steam Distribution	—	No Land Required
Dahej GIDC (Phase 1)	—	Only Steam Distribution	—	No Land Required

The table below sets forth the years in which Steamhouse started their operations, primary fuel used, installed capacities, production, and capacity utilization for facilities operated by the company for Fiscal 2026, Fiscal 2025 and Fiscal 2024.

Facility	Year of Commence ment	Primary Fuel	Fiscal 2026 – Capacity (TPH)	Installed Capacity (TPA)	Production (TPA)	Utilization	Fiscal 2025 – Capacity (TPH)	Installed Capacity (TPA)	Production (TPA)	Utilization	Fiscal 2024 – Capacity (TPH)	Installed Capacity (TPA)	Production (TPA)	Utilization
Vapi Facility Phase 1	2017	Coal	60	380,160	110,921.32	29.18%	60	380,160	154,739.57	40.70%	60	380,160	164,898.73	43.38%
Vapi WTE Unit 1	2025	Plastic/ Textile waste etc	15	95,040	73,700.92	77.55%	15	15,840	6,354.52	40.12%	–	–	–	0.00%
Ankleshwar Phase 1 & 2	2018 / 2023	Coal	120	760,320	398,652.64	52.43%	120	760,320	421,068.66	55.38%	120	760,320	419,797.98	55.21%
Sarigam Facility	2023	Coal	60	380,160	46,095.47	12.13%	60	380,160	50,267.32	13.22%	60	380,160	12,396.15	3.26%
Nandesari Facility	2023	Coal	30	190,080	100,478.99	52.86%	30	190,080	66,983.01	35.24%	30	110,880	18,470.12	16.66%
Panoli Facility	2025	Coal	60	316,800	22,864.38	7.22%	–	–	–	–	–	–	–	–
Total	—	—	345	2,122,560	752,713.72	35.5%	285	1,926,540	699,413.08	36.3%	270	1,631,520	615,562.98	37.7%

Their Planned Facilities: The Company is expanding its community industrial gas network through eight planned facilities across Gujarat and Maharashtra, aimed at increasing steam distribution capacity, strengthening its presence across key industrial clusters and diversifying fuel sources. The planned facilities include Nandesari Phase 2 (30 TPH), Jhagadia (30 TPH), Vapi Phase 3 (30 TPH), Pirana, Ahmedabad (30 TPH), Tarapur (60 TPH), Ankleshwar Phase 3 (60 TPH), Panoli Phase 2 (60 TPH) and Dahej GIDC Phase 2 (60 TPH). Among these, Nandesari Phase 2, Vapi Phase 3 and Pirana are expected to use non-fossil fuels, including agro-waste, refuse-derived fuel, plastic waste and textile chindi. Jhagadia and Vapi Phase 3 are targeted to commence operations in CY2026, while Nandesari Phase 2 and Tarapur are expected to commence operations in CY2027. The Pirana project is being developed under a 10-year agreement with Ahmedabad Municipal Corporation, which will provide land and part of the capital expenditure. The Company has obtained key regulatory approvals for several projects and has commenced construction at Jhagadia. Ankleshwar Phase 3, Panoli Phase 2 and Dahej GIDC Phase 2 will be funded through proceeds from the Fresh Issue, while other projects will be financed through a combination of internal accruals, debt/lease finance and subsidies.

Their Distribution Network: The Company operates an integrated pipeline network connecting its facilities with customers’ premises, enabling direct and reliable distribution of steam and other industrial gases. As of July 31, 2026, the Company operated and maintained 60,151 meters of pipelines, with individual pipelines ranging from 3,000 meters to 20,000 meters. The pipeline network also supports distribution of steam procured from third-party generators, including facilities in Dahej GIDC (Phase 1) and Sachin GIDC. The Company has entered into five-year steam purchase agreements for Dahej SEZ and Haldia, with operations expected to commence within the next 12 months. Installed pipeline length increased from 41,539 meters in FY2024 to 47,526 meters in FY2025 and 57,041 meters in FY2026.

Coal Trading Segment: As they procure large quantities of coal as the primary fuel for their industrial gas business, they also engage in coal trading, where the excess coal that they purchase in bulk is sold in the open market. The table set forth below provides their consolidated revenue from operations from coal trading for the years indicated.

Business	Fiscal 2026 (₹ million)	% of Revenue from Operations	Fiscal 2025 (₹ million)	% of Revenue from Operations	Fiscal 2024 (₹ million)	% of Revenue from Operations
Coal trading	1,323	26.9%	762	19.3%	0	0.0%

Customers: The Company served 202 customers in Fiscal 2026, compared with 173 in Fiscal 2025 and 125 in Fiscal 2024, reflecting a steadily expanding customer base. Its business is predominantly B2B, serving industrial customers across pharmaceuticals, chemicals, textiles, agro-chemicals, tyres, dyes

and pigments, polymers, paints and other sectors. The customer base includes established companies such as Aether Industries, Anupam Rasayan, Globe Enviro Care, Gujarat Polysol Chemicals, Devanshi Dyestuff and others. The Company's industrial gas business remains geographically concentrated in Gujarat, with 100% of revenue from sale of industrial gases generated from customers in the state during Fiscal 2024–2026. This concentration provides proximity to major industrial clusters but also exposes operations to regional disruptions. Customer concentration remains an important factor, with the top 10 customers accounting for a significant portion of business. The table below sets forth their revenue from their largest customer, top three customers and top 10 customers and their respective contributions to their revenue from operations for the years indicated.

Customer Concentration	Fiscal 2026 (₹ million)	% of Revenue from Operations	Fiscal 2025 (₹ million)	% of Revenue from Operations	Fiscal 2024 (₹ million)	% of Revenue from Operations
Largest customer	902	18.4%	656	16.6%	314	10.8%
Top 3 customers	1,396	28.4%	1,118	28.3%	834	28.6%
Top 10 customers	2,353	47.9%	2,132	54.0%	1,744	59.8%

The tables below set forth revenue from operations from their top 10 customers in each of the years indicated.

Top 10 Customers	Fiscal 2026 ₹ million	% of Revenue	Fiscal 2025 ₹ million	% of Revenue	Fiscal 2024 ₹ million	% of Revenue
Sanjoo Dyeing & Printing Mills Private Limited*	902	18.4%	656	16.6%	74	2.5%
Customer 2	254	5.2%	234	5.9%	282	9.7%
Customer 3	240	4.9%	228	5.8%	238	8.2%
Customer 4	198	4.0%	222	5.6%	212	7.3%
Customer 5	161	3.3%	181	4.6%	193	6.6%
Customer 6	132	2.7%	165	4.2%	125	4.3%
Customer 7	131	2.7%	119	3.0%	Globe Enviro Care Limited	3.8%
Customer 8	124	2.5%	114	2.9%	Customer 8	3.8%
Customer 9	110	2.3%	Globe Enviro Care Limited	2.7%	Customer 9	2.9%
Globe Enviro Care Limited	101	2.1%	Customer 10	2.7%	Sanjoo Prints Private Limited	2.5%
Total	2,353	47.9%	2,132	54.0%	1,744	59.8%

Raw Materials and Suppliers: Steamhouse India uses coal, plastic waste, textile chindi, agro-waste and refuse-derived fuel as fuels for its community boilers. The company is increasing the use of non-fossil fuels, with the Vapi WTE unit operating a 15 TPH boiler using paper mill waste, agro-waste and/or textile chindi waste. Coal is sourced through Indian importers, high-seas purchases and directly from overseas suppliers on a cost, insurance and freight basis. The company is responsible for customs clearance in the latter two arrangements. Pipe requirements for the steam distribution network are sourced domestically, while nitrogen generation generally does not require raw materials. Coal prices are linked to international coal prices and therefore remain subject to fluctuations. The table below sets forth state-wise bifurcation of raw materials for the years indicated.

Geography	Fiscal 2026 (₹ million)	% of Total Purchases	Fiscal 2025 (₹ million)	% of Total Purchases	Fiscal 2024 (₹ million)	% of Total Purchases
India						
Dadra & Nagar Haveli	–	–	0.09	0.0%	3	0.1%
Gujarat	3,376	100.0%	2,729	96.2%	1,701	78.2%
Maharashtra	1	0.0%	–	0.0%	0	0.0%
Rajasthan	–	–	0.07	0.0%	–	–
Tamil Nadu	–	–	0.23	0.0%	–	–
Outside India	–	–	107	3.8%	471	21.7%
Total	3,377	100.0%	2,836	100.0%	2,175	100.0%

The table below sets forth their total purchases from suppliers in India and outside India for the years indicated.

Particulars	Fiscal 2026 Amount (₹ million)	% of Total Purchases	Fiscal 2025 Amount (₹ million)	% of Total Purchases	Fiscal 2024 Amount (₹ million)	% of Total Purchases
India	3,377	100.0%	2,729	96.2%	1,704	78.3%
Outside India						
High seas purchase	–	–	107	3.8%	359	16.5%
Direct import	–	–	–	–	112	5.2%
Total Outside India	–	–	107	3.8%	471	21.7%
Total	3,377	100.0%	2,836	100.0%	2,175	100.0%

The table below sets forth their total purchases from their largest supplier and their top 10 suppliers for the years indicated.

Particulars	Fiscal 2026 (₹ million)	% of Total Purchases	Fiscal 2025 (₹ million)	% of Total Purchases	Fiscal 2024 (₹ million)	% of Total Purchases
Largest supplier	712	21.1%	332	11.7%	380	17.5%
Top 3 Suppliers	1,392	41.2%	974	34.3%	920	42.3%
Top 10 suppliers	2,759	81.7%	2,137	75.4%	1,665	76.5%

The tables below set forth their total purchases from their top 10 suppliers in each of the years indicated.

Top 10 Suppliers	Fiscal 2026 (₹ million)	% of Total Purchases	Fiscal 2025 (₹ million)	% of Total Purchases	Fiscal 2024 (₹ million)	% of Total Purchases
Maheshwari Logistics Limited	712	21.1%	332	11.7%	250	11.5%
Supplier 2	344	10.2%	–	–	–	–
Supplier 3	336	10.0%	–	–	–	–
Sanjoo Dyeing and Printing Mills Private Limited	311	9.2%	329	11.6%	66	3.0%
Swastik Poly Prints Private Limited	304	9.0%	313	11.0%	161	7.4%
Saraogi Udyog Private Limited	302	8.9%	173	6.1%	380	17.5%

Supplier 7	125	3.7%	177	6.3%	89	4.1%
Rawalwasia Textile Industries Private Limited	113	3.4%	212	7.5%	65	3.0%
Gandhar Coals & Mines Private Limited	111	3.3%	127	4.5%	290	13.3%
Supplier 10	100	3.0%	–	–	57	2.6%
Total	2,759	81.7%	2,137	75.4%	1,665	76.5%

Financial & Operational Performance Indicators: The following table sets forth certain information relating to the company’s key operational and financial metrics:

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Financial Indicators			
Revenue from Operations (₹ million)	4,915	3,951	2,917
Revenue from Operations Growth (%)	24.4%	35.4%	NA
EBITDA (₹ million)	835	693	684
EBITDA Margin (%)	17.0%	17.5%	23.5%
Restated Profit / (Loss) for the Year (₹ million)	386	312	272
PAT Margin (%)	7.8%	7.9%	9.3%
Return on Equity (%)	22.4%	23.5%	20.2%
Return on Capital Employed (%)	16.1%	17.2%	26.3%
Net Debt to Equity (times)	1.57	1.63	1.77
Operational Indicators			
Distribution Capacity of Industrial Gases Sold (tonnes)	2,569,784	2,110,060	1,916,645
Volume of Industrial Gases Sold (tonnes)	1,066,773	961,858	821,801
Capacity Utilization (%)	41.5%	45.6%	42.9%

Key Strengths:

- **Leading market position offering customers an energy efficient solution across industries with high growth potential**

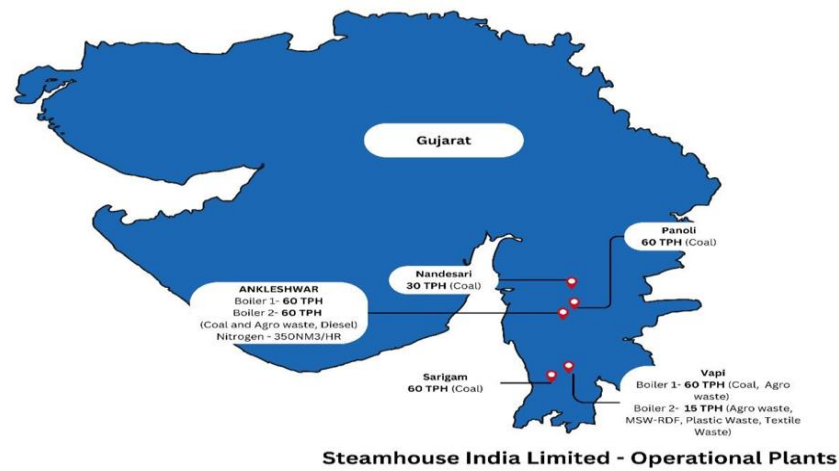
Steamhouse India is an Indian industrial gas company specializing in the centralized generation and distribution of steam and nitrogen through pipeline networks. Its community industrial gas model enables multiple industrial customers to access gas from a central facility, reducing the need for individual generation infrastructure. Industrial gases are critical to sectors such as pharmaceuticals, chemicals and textiles, supporting production efficiency and operational stability. In India, pipeline-based supply is gaining traction as industries seek reliable and scalable alternatives to conventional supply methods. Process steam demand stood at approximately 203,472 TPH in Fiscal 2026 and is projected to grow at a CAGR of 9.4% through Fiscal 2031. The shift towards centralized generation is supported by the operational and financial benefits of shared infrastructure, including reduced boiler maintenance requirements and improved efficiency. Steamhouse is positioned to capitalize on this growing demand through its community boiler network and expanding pipeline distribution infrastructure.

- **High barriers to entry for competitors**

The Company benefits from high entry barriers arising from its established presence across industrial clusters and extensive pipeline infrastructure. As a pioneer of the community boiler model in India, it has developed experience in industrial gas distribution with minimal pressure and temperature losses. Its exclusive pipeline network and limited availability of space within established industrial clusters make it difficult for new entrants to develop competing distribution infrastructure. Customers may also be reluctant to create additional pipeline landing points after infrastructure has been established by an incumbent supplier. The company further strengthens its operational capabilities through SCADA systems, flow meters, steam traps, auto valves and drone-based pipeline mapping, enabling real-time monitoring and improving efficiency, safety and reliability. Its technology infrastructure also supports data collection and analysis to identify operational vulnerabilities and reduce deviations between contracted and actual production. These capabilities, combined with existing customer connectivity and geographical infrastructure, provide the company with a competitive advantage and create meaningful barriers for potential entrants.

- **Strategically located facilities offering community gas generation and distribution**

The company operates seven community steam boilers in Gujarat, comprising six owned and one leased facility, with a combined installed capacity of 345 TPH and annual capacity of 2.19 million TPA. Its facilities are strategically located near major industrial clusters and ports, supporting efficient fuel procurement and customer servicing. The company also operates a nitrogen generation and distribution facility at Ankleshwar with a capacity of 350 NM³/hour and distributes purchased steam in Dahej GIDC and Sachin GIDC. Its pipeline network stood at 60,151 metres as of July 31, 2026, connecting its facilities with customer premises. The proximity of facilities to ports, typically within 45–50 km, helps reduce transportation costs for imported coal, while locations near customers reduce the pipeline length required for distribution. Individual pipelines range from 3,000 metres to 20,000 metres, providing an established distribution network across key industrial clusters. The map below shows the location of each of their operational boiler facilities and their boiler capacity as of July 31, 2026.



➤ **Marquee customer base with long-term relationships driven by their value proposition**

The Company has established a diversified customer base across pharmaceuticals, chemicals, textiles, agrochemicals, tyres, dyes and pigments, polymers, paints and other industries, serving 202 customers in Fiscal 2026 compared with 125 in Fiscal 2024. Key customers include Aether Industries, Anupam Rasayan India, Globe Enviro Care, Gujarat Polysol Chemicals and other established industrial players. Customer retention remains strong, with repeat customers contributing 90.7% of revenue in Fiscal 2026, while 120 repeat customers were served during the year. The company has also expanded its customer base through new facilities at Panoli, distribution arrangements at Dahej and expansion of its existing pipeline network. Its sector mix has become more diversified, with chemicals contributing 26.0% of revenue in Fiscal 2026, followed by textiles at 22.2% and pharmaceuticals at 18.4%. Further, four of the top 10 customers by revenue in Fiscal 2026 have maintained relationships with the company for more than five years. The ability of customers to regulate consumption through on-site valves also provides flexibility and strengthens the value proposition of centralized steam and gas supply.

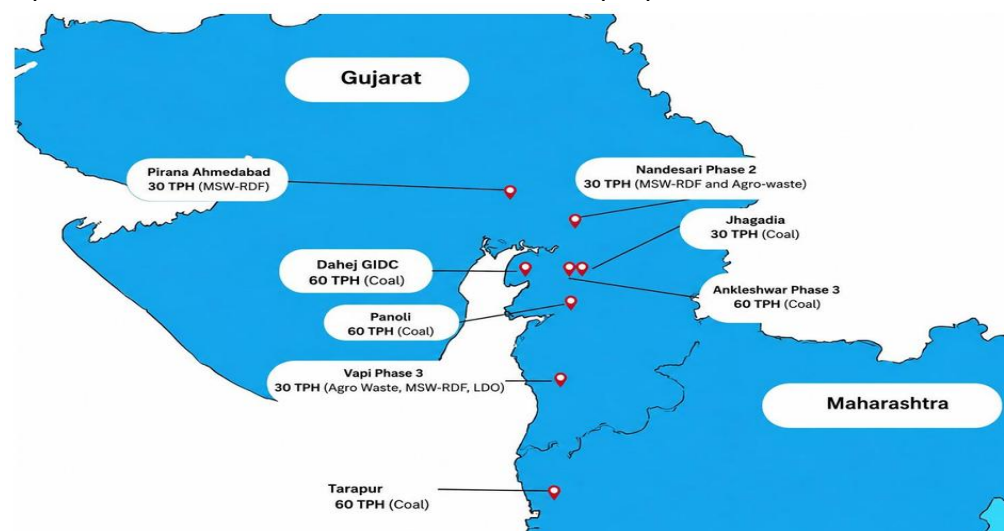
➤ **Track-record of implementing eco-friendly solutions and promoting sustainable development**

The Company has demonstrated a strong focus on sustainability by promoting centralized community boilers, which improve fuel utilization and reduce emissions compared with individual captive boilers. Its boilers incorporate measures to control SPM, SOx and NOx emissions, including automated coal handling, controlled ash movement, hydrated lime application and fluidized combustion for efficient fuel utilization. The company is also transitioning towards non-fossil fuels, with its Vapi WTE facility using plastic waste, textile chindi and refuse-derived fuel for steam generation. At Nandesari, co-generated electricity supports boiler operations, while turbines are being introduced at other facilities to further reduce dependence on fossil-fuel-based power. The company has additionally entered into a wheeling agreement for a 3.04 MW solar power project to supply renewable electricity to its Ankleshwar plant. Further, its pipeline-based nitrogen distribution reduces emissions associated with transportation of cryogenic cylinders while improving safety. These initiatives support the company's objective of reducing its carbon footprint while improving operational efficiency and resource utilization.

Key Strategies:

➤ **Expanding their capacity by setting up new facilities in and outside Gujarat**

The Company is expanding its community industrial gas generation and distribution footprint across existing and new industrial clusters in India, with a focus on increasing capacity, broadening its customer base and reducing geographical concentration. It plans to establish eight new facilities at Nandesari (Phase 2), Jhagadia, Vapi (Phase 3), Ankleshwar (Phase 3), Pirana (Ahmedabad), Panoli (Phase 2), Tarapur and Dahej GIDC (Phase 2). The planned facilities comprise 30 TPH each at Nandesari (Phase 2), Jhagadia, Vapi (Phase 3) and Pirana, and 60 TPH each at Ankleshwar (Phase 3), Panoli (Phase 2), Tarapur and Dahej GIDC (Phase 2). Nandesari (Phase 2), Ankleshwar (Phase 3), Panoli (Phase 2) and Vapi (Phase 3) are expected to use a combination of coal and non-fossil fuels, including plastic waste, textile chindi, refuse-derived fuel and agro-waste, while Pirana is expected to use coal and non-fossil fuels. Tarapur and Dahej GIDC (Phase 2) are planned to use coal. The expansion is expected to enhance market penetration, improve risk diversification and strengthen operational resilience. The map below shows the location of each of their proposed new boiler facilities.



➤ **Continue to diversify their business offerings**

While steam generation and distribution remains its core business, Steamhouse is expanding into other industrial gases and complementary services. The company commenced nitrogen supply through its distributed pipeline network at Ankleshwar in February 2025, marking its entry into a broader industrial

gas portfolio. Going forward, it plans to diversify through a hybrid model of owning and operating community boilers while also purchasing steam from third-party generators for distribution through its pipeline network. It also intends to modify, operate and maintain high-pressure boiler systems for industrial customers and increase the use of non-fossil fuels in steam generation. Further, Steamhouse plans to expand its pipeline-based industrial gas offerings to include hydrogen, instrument air and carbon dioxide. This diversification is expected to broaden its addressable market, enhance flexibility in meeting customer requirements and leverage its existing pipeline infrastructure and community gas generation capabilities.

➤ **Continue to focus on operational efficiency and reduction of their operating expenses**

Steamhouse is focused on improving operational efficiency and maintaining a competitive cost structure through targeted cost-control initiatives. The company has undertaken measures such as installing turbines and using drones for improved mapping and monitoring of its operations. It continues to pursue strict cost management to optimize its cost base and enhance competitiveness. Key initiatives include procuring coal in bulk quantities to achieve cost efficiencies, reusing boiler bed material through a system that returns used material to the boiler, and installing variable frequency drives to regulate fan and pump speeds. These measures help optimize auxiliary power consumption, reduce electricity usage and lower operating expenses, supporting improved overall operational efficiency.

➤ **Improve their debt profile**

As part of its strategy to strengthen its debt profile, Steamhouse intends to reduce its outstanding borrowings through repayment and prepayment. As of March 31, 2026, total borrowings stood at ₹2,816 million, comprising ₹2,534 million of secured borrowings and ₹282 million of unsecured borrowings, with a net debt-to-equity ratio of 1.57x. The company plans to utilize ₹1,800 million from the Net Proceeds of the Issue towards repayment or prepayment of outstanding borrowings. This is expected to reduce overall indebtedness and finance costs, improve the debt-to-equity profile and strengthen financial flexibility. Lower debt servicing requirements could also enable greater utilization of internal accruals towards future business expansion and growth.

➤ **Reduce their carbon footprint**

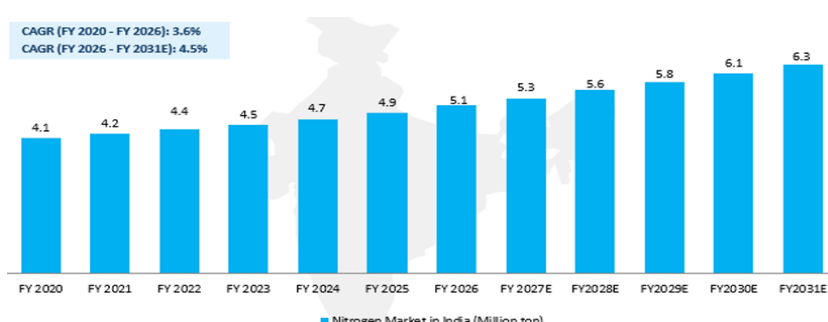
Steamhouse aims to reduce its carbon footprint by increasing the use of non-fossil fuels across its operations. While coal remains the primary fuel for most existing boilers, the company is adopting industrial waste, agro-waste, plastic waste, textile chindi and refuse-derived fuel as alternative fuel sources. Its Vapi WTE unit already uses plastic and paper waste from regional textile and paper mills along with refuse-derived fuel, while Nandesari Phase 2, Vapi Phase 3 and Pirana are planned to further utilize non-fossil fuels. The company is also exploring waste-gas recovery through waste heat recovery boilers to generate steam while reducing fossil-fuel consumption. In addition, it has entered into arrangements to utilize available steam from industrial processes and signed a 3.04 MW solar power wheeling agreement for its Ankleshwar plant. It is also evaluating additional solar projects across existing and upcoming facilities. These initiatives are expected to lower emissions, reduce grid and fossil-fuel dependence and support customers' sustainability objectives, while potentially creating opportunities for carbon credits under India's emerging carbon market framework.

Industry Snapshot:

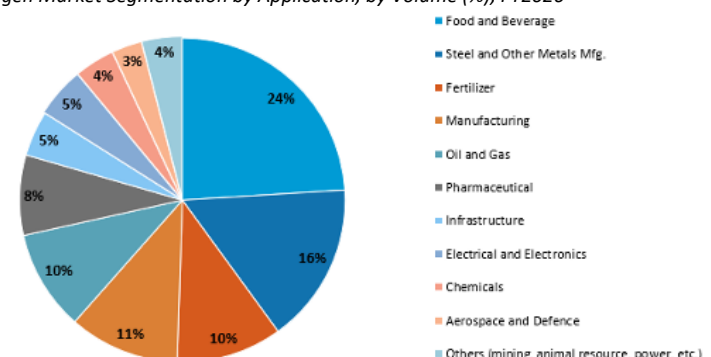
➤ **Overview of Industrial Gases in India:** Industrial gases are individual gases or gas mixtures used across industries such as metals, chemicals, pharmaceuticals, ceramics and textiles, supporting manufacturing processes from raw-material handling to intermediate processing and final production. The market is expected to grow with industrialization, infrastructure development and advancements in gas production, storage and distribution. Traditionally, gases such as oxygen, nitrogen and argon are supplied through on-site production or merchant distribution using tanks and cylinders, while steam is generally generated through captive boilers. However, community boilers are emerging as a "steam-as-a-service" model, enabling customers to avoid investments in captive infrastructure, maintenance, fuel procurement and regulatory compliance. This model can improve energy efficiency, operational flexibility and reliability while reducing emissions through centralized generation. As of FY2026, cylinder-based supply accounted for 41.5% of India's industrial gas demand by value, indicating potential for pipeline-based distribution, which can reduce logistics costs and provide uninterrupted supply. Community boiler systems can therefore support lower capital expenditure and operating complexity for industrial customers, while promoting more sustainable production practices.

- **Nitrogen:** Nitrogen (N₂) is a colorless, odorless and inert gas constituting approximately 78% of the atmosphere and is widely used across industrial applications. India's nitrogen demand increased from 4.1 million tonnes in FY2020 to 5.1 million tonnes in FY2026, registering a 3.6% CAGR, and is projected to reach 6.3 million tonnes by FY2031. The market by value expanded from US\$0.25 billion in FY2020 to US\$0.34 billion in FY2026 and is expected to reach US\$0.45 billion by FY2031. In FY2026, food and beverages accounted for 24% of demand, followed by steel and metals at 16% and fertilizers at 10%. Growth is supported by packaged food consumption, steel capacity expansion, fertilizer production, manufacturing investments and increasing pharmaceutical and chemical activity. Pipeline-based supply offers an alternative to on-site generation and cryogenic tanks, potentially improving reliability, logistics and cost efficiency.

Nitrogen Market in India, by Volume (Million tons), FY2020-2031E

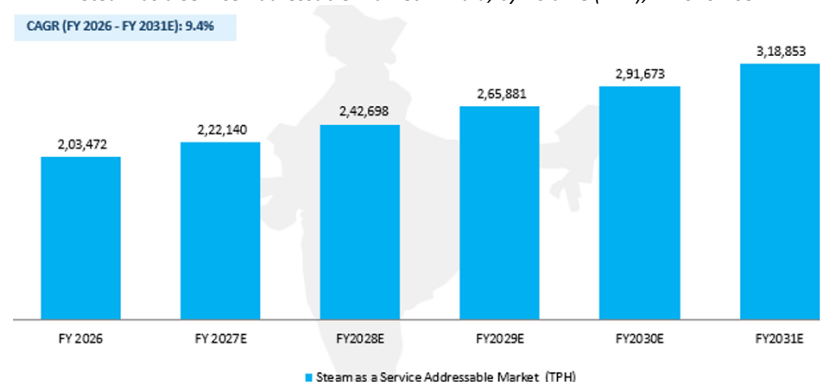


Nitrogen Market Segmentation by Application, by Volume (%), FY2026

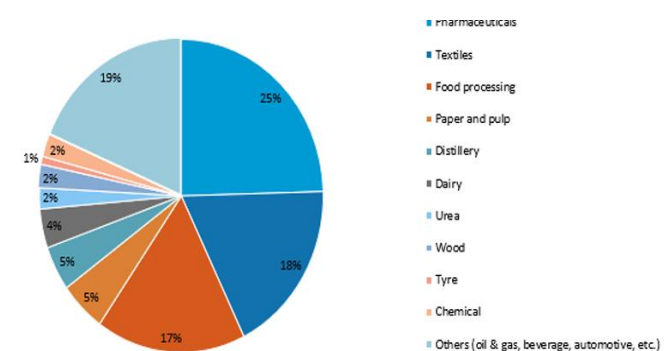


- **Hydrogen:** Hydrogen (H₂) is a lightweight, highly flammable gas used across oil & gas refining, fertilizers, steel and emerging energy applications. India's hydrogen demand increased from 0.13 million tonnes in FY2020 to 0.19 million tonnes in FY2026 and is projected to reach 0.30 million tonnes by FY2031, implying an 8.8% CAGR. By value, the market grew from US\$0.17 billion in FY2020 to US\$0.26 billion in FY2026 and is expected to reach US\$0.41 billion by FY2031. In FY2026, steel and metals accounted for ~30% of demand, followed by chemicals at 25%, manufacturing at 20% and oil & gas at 15%. Growth is supported by India's energy-independence goals, decarbonization, green and blue hydrogen investments, and applications in transportation, power and fuel cells. The National Green Hydrogen Mission is also supporting technology development, commercialization and infrastructure.
- **Carbon Dioxide:** Carbon dioxide (CO₂) is a versatile industrial gas used across food & beverages, chemicals, healthcare, manufacturing, refining and other industries. India's CO₂ demand increased from 3.7 million tons in FY2020 to 4.5 million tons in FY2026, representing a 3.5% CAGR, and is projected to reach 5.6 million tons by FY2031 at a 4.5% CAGR. In value terms, the market grew from USD 0.12 billion to USD 0.16 billion during FY2020–FY2026 and is expected to reach USD 0.22 billion by FY2031. Food & beverages accounted for ~30% of FY2026 demand, followed by chemicals at ~15% and manufacturing at ~12%. Growth is supported by rising demand from food & beverages, refining, chemicals, pharmaceuticals and manufacturing, with India's 267.1 MTPA refining capacity across 23 refineries supporting CO₂ consumption. Higher domestic urea production and carbon capture and utilization initiatives provide additional long-term growth opportunities.
- **Argon:** Argon (Ar) is an inert, colorless and odorless gas primarily used as a shielding gas in TIG and MIG welding across aerospace, automotive, construction, steel and metal fabrication. India's argon consumption increased from 0.18 million tonnes in FY2020 to 0.25 million tonnes in FY2026, registering a 5.6% CAGR, and is projected to reach 0.33 million tonnes by FY2031, implying a 5.8% CAGR. By value, the market grew from US\$0.10 billion in FY2020 to US\$0.16 billion in FY2026 and is expected to reach US\$0.25 billion by FY2031. In FY2026, manufacturing accounted for 22% of demand, while electrical & electronics and steel & metals each contributed 20%. Healthcare and pharmaceuticals accounted for 10% and 8%, respectively. Growth is supported by industrialization, urbanization, automotive and steel production, EV adoption, semiconductor and electronics manufacturing, and government-led investments in manufacturing and infrastructure.
- **Steam:** Steam has traditionally been generated on-site for captive use across pharmaceuticals, textiles, food processing, paper and pulp, distilleries, dairy, chemicals and tyre manufacturing. The emergence of community boilers and "Steam-as-a-Service" is shifting industries toward centralized steam supply through pipelines, reducing investments in captive boiler infrastructure, improving energy efficiency and lowering operating costs. In FY2026, India's process steam demand was approximately 203,472 TPH, translating to an estimated 1,628 million tons annually based on 8,000 operating hours. With a projected 9.4% CAGR through FY2031, the market offers significant growth potential. At an average steam cost of ₹2–2.5/kg, the addressable "Steam-as-a-Service" market is estimated at approximately ₹3,66,250 crore in FY2026. Pharmaceuticals accounted for 25% of steam consumption, followed by textiles at 18%, food processing at 17%, paper and pulp at 5%, distilleries at 5% and dairy at 4%. Growth is expected to be driven by industrial expansion, process modernization, energy efficiency, sustainability initiatives and increasing adoption of outsourced steam supply.

Steam as a Service Addressable Market in India, by Volume (TPH), FY2026-2031E



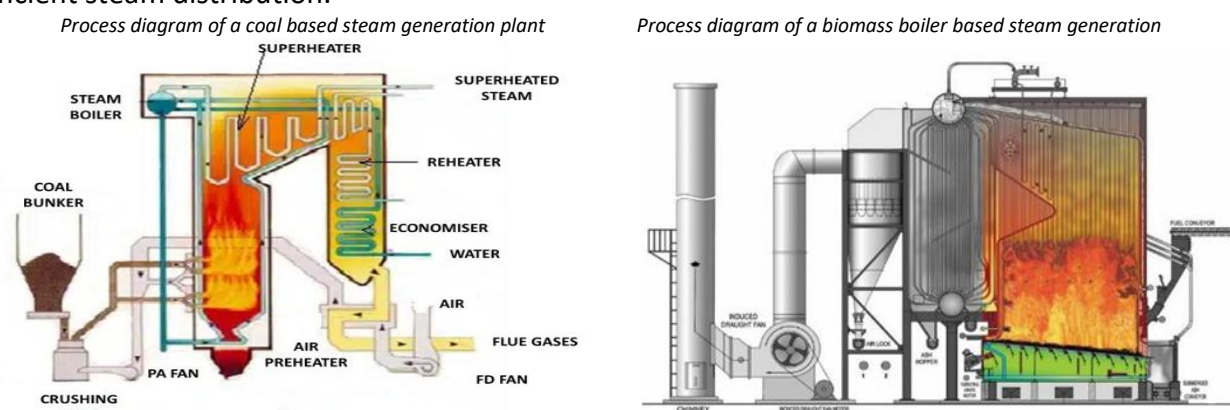
Steam as a Service Addressable Market Segmentation by Application, by Volume (%), FY2026



- **Overview of Key Growth Drivers for Industrial Gases Market:** India's industrial gases market is supported by rising demand from healthcare and pharmaceuticals, clean energy initiatives, infrastructure development, refining and emerging electronics manufacturing. Healthcare and pharmaceutical industries continue to require oxygen, nitrous oxide and carbon dioxide across hospitals, diagnostics and drug manufacturing. The National Green Hydrogen Mission is expected to drive demand for gases supporting hydrogen production, storage and renewable energy applications. Infrastructure, refinery and petrochemical investments are also supporting demand for nitrogen, oxygen and hydrogen, with India targeting refining capacity of 310 million tons by FY2030 from 267.1 million tons in FY2026. Electronics and semiconductor manufacturing presents another growth opportunity, requiring ultra-high-purity gases such as nitrogen, argon, silane and hydrogen. The India Semiconductor Mission, under SEMICON India, has a substantial budget outlay of ₹76,000 crore, supporting capacity creation and long-term specialty gas demand.
- **Overview of Regulatory environment for Industrial Gases Market:** India's industrial gases sector operates under stringent licensing, safety and environmental requirements. The Gas Cylinders Rules, 2016, under the Explosives Act, 1884, require licensing for manufacturing, storage and transportation of gas cylinders, while PESO regulations govern cryogenic storage and transportation. Environmental compliance under the Environment (Protection) Act, 1986 requires pollution-control measures, emissions monitoring and waste management, increasing operating costs. The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 mandate safe disposal and recycling of cylinders, storage tanks and related waste, with non-compliance potentially resulting in penalties and environmental liabilities. Workplace safety requirements under the Factories Act, 1948 and MSIHC Rules, 1989 require risk assessments, accident-prevention protocols, worker training and protective equipment, particularly for hazardous gases such as hydrogen. These regulations increase compliance costs and operational complexity for industry participants.
- **Overview of Steam and Community Boiler Industry:** Steam is a critical utility across process industries, including textiles, pharmaceuticals, food processing, chemicals, tyres, paper and pulp, distilleries and wood processing. While steam has traditionally been generated through captive boilers, increasing adoption of centralized community boilers is enabling industries to procure steam through pipelines, reducing the need for in-house boiler infrastructure and associated capital and operating costs.

In textiles, typically requiring 2–5 bar steam, approximately 4 kg of steam is used per kg of fabric, supporting pre-treatment, dyeing, finishing and yarn processing. Pharmaceutical units generally use 1–2 bar steam, with some processes requiring 5–8 bar, and a standard bulk drugs/API unit consumes approximately 3–3.5 TPH. Steam is used for heating, sterilization, drying, concentration and humidification. In chemicals, steam pressure ranges from 1–10 bar, with consumption of approximately 1.5 kg per kg of chemicals, primarily for distillation, evaporation, reactor heating and heat transfer. Tyre manufacturing uses 18–24 bar steam for vulcanization and related processes. Paper and pulp units typically use 10 bar or higher steam, consuming approximately 1.6–2.2 kg per kg of dry paper. Distilleries generally use 1.5–3.5 bar steam and consume approximately 3.4–6.6 kg per litre of ethanol, while wood processing typically uses 6–8 bar steam and approximately 0.45 kg per kg of processed wood.

- **Usage of Fuels for Steam Generation:** Steam generation primarily uses fossil and non-fossil fuels. Coal remains the dominant fossil fuel, while diesel, HFO, LDO, LSHS, natural gas, LPG and propane are also used. Fossil fuels offer high energy density, established supply chains and reliable steam generation. Coal accounts for 55% of India's energy needs, with domestic production reaching ~1,040.1 million tonnes in FY2026, growing at a 5.2% CAGR since FY2019. India imported 246.37 million tonnes of coal in FY2026, up 1.1% YoY, while average non-coking coal import prices declined to ₹7,308/tonne from ₹12,650/tonne in FY2023. Non-fossil alternatives include biomass, biomass briquettes, municipal solid waste, industrial waste, waste gases, RDF, textile waste, plastic and paper waste, and agro-waste. These fuels support decarbonization while enabling waste-to-energy solutions. Biomass briquettes can reduce boiler fuel costs by 30–40% versus liquid fossil fuels, while waste heat recovery boilers can convert industrial waste gases and heat into steam, reducing fossil-fuel dependence.
- **Overview of Community Boiler service:** Steam is essential across process industries such as textiles, pharmaceuticals, chemicals, food processing, fertilizers and paper, traditionally being generated through captive boilers. The community boiler/Steam-as-a-Service (SAAS) model centralizes steam generation and distributes it to multiple industrial customers through pipelines, potentially reducing fossil-fuel consumption by 25–30%, while lowering customers' capital expenditure, maintenance and compliance burden. Steamhouse India Limited has pioneered this model in India and also purchases excess or waste steam from industries for redistribution through its established pipeline network. Its presence across industrial clusters creates entry barriers due to limited space for additional pipelines and customer reluctance to install multiple pipeline landing points. New entrants would also require significant capital for community boilers, gas separation and compression systems, pipelines and related infrastructure. Community boilers can use coal, biomass, RDF, industrial waste and waste heat, while insulated pipelines, condensate drainage systems and expansion loops enable efficient steam distribution.



- **Additional Revenue sources / business model of a Community Boiler:** Community boilers offer multiple revenue streams beyond steam sales, including cogeneration of electricity through Combined Heat and Power (CHP), carbon credits, fly ash, flue gas/CO₂ sales, chilled water services, pipeline advertising and resale of third-party generated steam. CHP improves overall energy efficiency by simultaneously producing electricity and useful heat. Carbon credits can provide monetization opportunities as India develops the Indian Carbon Market, aligned with its target of reducing GDP emissions intensity by 45% by 2030 from 2005 levels. Technology is also improving boiler efficiency and reliability through IoT, SCADA, drones, smart steam traps and automatic valves, enabling real-time monitoring, predictive maintenance, remote operations and reduced steam losses. Future technologies including green hydrogen, microwave plasma, concentrated solar power and waste-heat recovery could further reduce fossil-fuel dependence and emissions.
- **Overview of Non-Government Organizations (NGOs) promoting Community Boiler:** NGOs and research institutions are supporting community boilers by promoting energy efficiency, lower emissions and sustainable industrial practices. Centre for Science and Environment (CSE) recommends feasibility studies, early allocation of land for community boilers in industrial areas, policy support and stakeholder coordination. World Resources Institute (WRI) advocates community cogeneration systems supplying steam to member industries, along with sustainable fuels to reduce pollution and support circular heat generation. CEE and TERI focus on improving industrial boiler efficiency through energy audits, operator training, combustion and steam-system optimization, waste-heat recovery, energy monitoring and adoption of efficient technologies. Their initiatives can support wider adoption of community boilers by demonstrating cost savings, improved efficiency and environmental benefits, while encouraging industrial clusters to shift from individual captive boilers to centralized systems.

Comparison with Industry listed peers

Name of Company	Basic Face Value (₹ per Equity Share)	EPS (₹)	Revenue for Fiscal 2026 (₹ million)	Market Cap (₹ million)	NAV as on March 31, 2026 (₹ per share)	P/E as on August 31, 2026	ROE (%)
Steamhouse Limited	2	1.71	4,915	22,389	7.25	57.9	22.36
Key Listed Peers							
Linde India Limited	10	64.37	25,306	544,489	64.37	99.17	12.87
Ellenbarrie Industrial Gases Limited	2	10.68	3,416	45,418	42.74	69.33	42.74

*Note – 1) P/E NAV, Ratio of listed peers has been computed based on the closing market price of equity shares on NSE on 07th September, 2026, other Financial highlights as on 31st March 2026.

2) NAV, EPS, P/E* of the Steamhouse India Ltd is calculated on EPS of FY26, and post issue no. of equity shares issued.

Key Risk:

- **Customer concentration risk:** Top 10 customers contributed 47.9% of FY2026 revenue, with the largest customer contributing 18.4%; repeat customers accounted for 90.7%, increasing dependence on key relationships.
- **Coal availability and price risk:** Coal accounted for 77.3% of total purchases in FY2026 at ₹2,610 million, exposing profitability to price, supply and transportation fluctuations.
- **Supplier concentration and fuel supply risk:** Top 10 suppliers accounted for 81.71% of FY2026 purchases, while coal purchases were ₹2,610 million, or 77.29% of total purchases.
- **Geographic concentration risk:** All seven boilers and the nitrogen facility are located in Gujarat, while raw materials are also sourced locally, exposing operations to regional disruptions.
- **Capital expenditure and working capital risk:** Capex rose to ₹1,300 million in FY2026 from ₹1,055 million in FY2025, while net working capital was negative ₹425 million.

Valuation:



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Mid Caps (101st-250th company)	>20%	0-20%	<0%	
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