



## Company Overview

German Green Steel and Power Limited is a vertically integrated iron and steel manufacturer primarily focused on TMT bars, with manufacturing facilities in Samakhiali and Viramgam, Gujarat. The company manufactures Sponge Iron, MS Billets and TMT Bars, with its TMT portfolio comprising Fe500, Fe500D, Fe550, Fe550D and CRS grades in sizes ranging from 8mm to 40mm. It also offers value-added products such as cut & bend and epoxy-coated TMT bars, catering primarily to the construction and infrastructure sectors. As of FY26, the company had a combined installed capacity of 66,000 MT for Sponge Iron, 357,060 MT for MS Billets and 301,950 MT for TMT Bars. Capacity utilisation stood at 95.2%, 79.4% and 87.8%, respectively, indicating healthy utilisation across its manufacturing base. The company is also undertaking capacity expansion at its Samakhiali facility, which is expected to increase Sponge Iron capacity to 148,500 MTPA, MS Billets capacity to 412,500 TPA and TMT Bars capacity to 346,500 MTPA. The company's manufacturing operations benefit from backward integration through in-house Sponge Iron production and captive power infrastructure, including waste-heat recovery and thermal and renewable power facilities. TMT bars are marketed under the "German TMT" brand through a dealer and distributor network, primarily across Gujarat. While this provides a focused regional presence, over 97% of FY26 sales were generated from Gujarat, indicating significant geographic concentration.

## Objects of the issue

The IPO comprises a fresh issue of up to Rs.290 crores and an Offer for Sale of up to Rs.14 crores. The net proceeds from the fresh issue are proposed to be utilized for the following purposes:

1. Funding the capital expenditure requirements of the company towards expansion of its manufacturing facility at Samakhiali, Kutch, Gujarat and hybrid wind and solar power plant;
2. Prepayment or re-payment, in full or in part, of certain outstanding borrowings availed by the company;
3. General corporate purposes.

## Investment Rationale

### Vertically integrated manufacturing setup with captive power capacity supporting cost efficiency and margins

The company has established a vertically integrated manufacturing setup at its Samakhiali facility, covering the entire production chain from Sponge Iron and MS Billets to TMT Bars. This integrated model provides greater control over raw material sourcing, production processes, quality and product mix, while reducing dependence on externally sourced intermediate products. The company also operates a 20 MW captive power plant comprising 16 MW of coal-based power and 4 MW of waste heat recovery capacity, along with hybrid wind and solar power plants supporting its power requirements. The captive power infrastructure, together with waste heat recovery, is expected to support energy cost optimisation and improve operating efficiency. The company's integration also provides flexibility to modify its product mix and cater to customised customer requirements, while reducing exposure to volatility in externally sourced intermediate steel products. Further, the Samakhiali facility's proximity to Mundra and Kandla ports, located approximately 105 km and 50 km away, respectively, provides logistical advantages for sourcing raw materials. Overall, the combination of backward integration, captive power generation and strategic location supports cost efficiency, operational flexibility and sustainable operating margins.

### Extensive distribution network in Gujarat with growing institutional customer base and established relationships

The company has developed a diversified B2B distribution network comprising distributors, dealers and institutional customers, providing broad market reach across Gujarat. As of March 31, 2026, the company had 12 distributors, 148 dealers and 343 direct institutional customers, compared with 12, 73 and 215, respectively, in FY24, indicating a steady expansion in its customer network. Revenue contribution from dealers increased significantly to 20.9% in FY26 from 3.2% in FY24, while institutional customers contributed 41.5% and distributors contributed 37.6% of revenue from operations, resulting in a balanced customer mix. The company's distributors purchase products in larger quantities and cover wider geographies, while dealers provide reach across smaller geographic markets and institutional customers offer direct access to corporates and infrastructure-linked end users. The company has also maintained long-standing customer relationships, with seven of its top ten customers having relationships exceeding three years as of March 31, 2026. Despite largely operating through purchase orders rather than long-term supply contracts, its established customer relation-

## Issue Details

|                                   |                                 |
|-----------------------------------|---------------------------------|
| Offer Period                      | 25th Sept 2026 - 29th Sept 2026 |
| Price Band                        | Rs. 132 to Rs. 139              |
| Bid Lot                           | 107                             |
| Listing                           | BSE & NSE                       |
| Issue Size (no. of shares in Cr.) | 2.2                             |
| Issue Size (Rs. in Cr.)           | 304                             |
| Face Value (Rs.)                  | 10                              |

## Issue Structure

|        |     |
|--------|-----|
| QIB    | 50% |
| NIB    | 15% |
| Retail | 35% |

|           |                                                                                                                |
|-----------|----------------------------------------------------------------------------------------------------------------|
| BRLM      | Systematix Corporate Service Ltd., Emkay Global financial Service Ltd., Pantomath Capital Advisor Private Ltd, |
| Registrar | Bigshare Service Private Ltd.                                                                                  |

| Particulars               | Pre Issue %   | Post Issue %  |
|---------------------------|---------------|---------------|
| Promoter & Promoter Group | 96.6%         | 68.5%         |
| Public                    | 3.4%          | 31.5%         |
| <b>Total</b>              | <b>100.0%</b> | <b>100.0%</b> |

(Assuming issue subscribed at higher band)

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# German Green Steel and Power Ltd.

ships and consistent product quality have supported customer retention. The combination of an expanding dealer and institutional network, diversified customer channels and established relationships provides broader market access and supports revenue visibility.

## Valuation

German Green Steel and Power Limited is a vertically integrated steel manufacturer with operations across sponge iron, MS billets and TMT bars, supported by manufacturing facilities in Gujarat. The company has demonstrated strong financial growth, with Revenue from Operations increasing from Rs.1,130 Cr in FY24 to Rs.1,508 Cr in FY25 and Rs.1,679 Cr in FY26, while PAT increased from Rs.42 Cr to Rs.60 Cr and Rs.80 Cr, respectively. This translates into revenue and PAT CAGRs of approximately 21.9% and 38.5%, respectively. EBITDA also improved, supported by better operating profitability and higher scale. The company is further expanding its manufacturing capacities and plans to increase sponge iron, MS billet and TMT bar capacities, which could support revenue growth and operating leverage going forward. At the upper price band of Rs.139, the issue is valued at a P/E multiple of approximately 9.3x based on FY26 diluted EPS of Rs.14.91. This compares favourably with the peer P/E range of 8.9x–61.6x and is below the reported peer average of 35.25x. The company has also reported RoNW of 18.86% for FY26, indicating healthy returns on the expanded equity base. **Considering the company's strong earnings growth, improving operating performance, planned capacity expansion and relatively attractive valuation at 9.3x FY26 earnings, the valuation provides a reasonable entry point. Accordingly, we recommend a "SUBSCRIBE" rating for the issue.**

## Key Risks:

- ⇒ The company's dependence on a stable and sufficient supply of raw materials, including iron ore, coal and scrap, exposes it to supply disruptions and price volatility. The absence of long-term supply contracts could lead to higher procurement costs, production disruptions and adversely impact margins and financial performance.
- ⇒ The company operates in a highly competitive steel industry, particularly in Gujarat, where increasing capacity additions and low-cost imports could intensify pricing pressure. Any decline in steel prices or loss of market share could adversely impact revenue, profitability and financial performance.
- ⇒ The company's business demonstrates customer concentration, with its top 10 customers contributing a significant portion of revenue, while sales are generally based on periodic purchase orders rather than long-term contracts. Any reduction, cancellation or delay in customer orders could adversely impact revenue and business growth.

# German Green Steel and Power Ltd.

## Income Statement (Rs. in Corers)

| Particulars                                                             | FY24         | FY25         | FY26         |
|-------------------------------------------------------------------------|--------------|--------------|--------------|
| <b>Revenue:</b>                                                         |              |              |              |
| Revenue from operations                                                 | 1,130        | 1,508        | 1,679        |
| <b>Total revenue</b>                                                    | <b>1,130</b> | <b>1,508</b> | <b>1,679</b> |
| <b>Expenses:</b>                                                        |              |              |              |
| Cost of materials consumed                                              | 706          | 907          | 1,078        |
| Purchase of stock-in-trade                                              | 194          | 302          | 185          |
| Changes in inventories of finished goods, work in progress and stock in | -30          | -30          | -12          |
| Employee benefits expense                                               | 25           | 33           | 42           |
| Other expenses                                                          | 156          | 178          | 218          |
| <b>Total expenses</b>                                                   | <b>1,050</b> | <b>1,391</b> | <b>1,512</b> |
| <b>EBITDA</b>                                                           | <b>79</b>    | <b>117</b>   | <b>167</b>   |
| Depreciation & amortization                                             | 10           | 15           | 21           |
| <b>EBIT</b>                                                             | <b>70</b>    | <b>102</b>   | <b>146</b>   |
| Finance costs                                                           | 22           | 33           | 43           |
| Other Income                                                            | 8            | 10           | 6            |
| <b>Profit Before Share of (Loss)/Profit of Associates</b>               | <b>55</b>    | <b>79</b>    | <b>110</b>   |
| Share of Loss of Associates                                             | 1            | -5           | 0            |
| <b>PBT</b>                                                              | <b>56</b>    | <b>74</b>    | <b>110</b>   |
| Current Tax                                                             | 9            | 7            | 12           |
| Deferred tax                                                            | 5            | 7            | 16           |
| Tax relating to earlier years                                           | 0            | -1           | 2            |
| <b>Total tax</b>                                                        | <b>14</b>    | <b>14</b>    | <b>30</b>    |
| <b>Net profit</b>                                                       | <b>42</b>    | <b>60</b>    | <b>80</b>    |
| <b>Diluted EPS</b>                                                      | <b>7.9</b>   | <b>11.4</b>  | <b>14.9</b>  |

Source: RHP, BP Equities Research

## Cash Flow Statement (Rs. in Corers)

| Particulars                                                     | FY24     | FY25     | FY26      |
|-----------------------------------------------------------------|----------|----------|-----------|
| Cash Flow from operating activities                             | 28       | 74       | 141       |
| Cash flow from investing activities                             | -63      | -224     | -135      |
| Cash flow from financing activities                             | 35       | 151      | -7        |
| <b>Net increase/(decrease) in cash and cash equivalents</b>     | <b>0</b> | <b>2</b> | <b>-1</b> |
| <b>Cash and cash equivalents at the beginning of the period</b> | <b>1</b> | <b>1</b> | <b>2</b>  |
| <b>Cash and cash equivalents at the end of the period</b>       | <b>1</b> | <b>2</b> | <b>1</b>  |

Source: RHP, BP Equities Research

# German Green Steel and Power Ltd.

## Balance Sheet (Rs. in Corers)

| Particulars                                  | FY24       | FY25         | FY26         |
|----------------------------------------------|------------|--------------|--------------|
| <b>Assets</b>                                |            |              |              |
| <b>Non-Current Assets</b>                    |            |              |              |
| Property, plant and equipment                | 221        | 346          | 488          |
| Capital work-in-progress                     | 54         | 162          | 161          |
| Investment Property                          | 1          | 1            | 1            |
| Right-of-use Assets                          | 0          | 1            | 8            |
| <b>Financial Assets</b>                      |            |              |              |
| (i) Investments                              | 7          | 1            | 1            |
| (ii) Other Financial Assets                  | 4          | 3            | 3            |
| <b>Total Non Current assets</b>              | <b>287</b> | <b>513</b>   | <b>661</b>   |
| <b>Current Assets</b>                        |            |              |              |
| Inventories                                  | 128        | 251          | 298          |
| <b>Financial Assets</b>                      |            |              |              |
| (i) Trade Receivables                        | 88         | 150          | 163          |
| (ii) Cash and Cash Equivalents               | 1          | 2            | 1            |
| (iii) Bank Balances other than (ii) above    | 9          | 16           | 20           |
| (iv) Loans                                   | 0          | 1            | 1            |
| (v) Other financial assets                   | 0          | 0            | 1            |
| Current tax assets (net)                     | 46         | 83           | 74           |
| <b>Total current assets</b>                  | <b>272</b> | <b>502</b>   | <b>559</b>   |
| <b>Total Assets</b>                          | <b>560</b> | <b>1,015</b> | <b>1,220</b> |
| <b>Equity and Liabilities</b>                |            |              |              |
| Equity Share Capital                         | 8          | 53           | 54           |
| Other equity                                 | 168        | 240          | 367          |
| <b>Equity attributable to equity holders</b> | <b>176</b> | <b>293</b>   | <b>422</b>   |
| Non-controlling interests                    | 0          | 1            | 2            |
| <b>Total Equity</b>                          | <b>176</b> | <b>294</b>   | <b>424</b>   |
| <b>Non-Current Liabilities</b>               |            |              |              |
| <b>Financial Liabilities</b>                 |            |              |              |
| (i) Borrowing                                | 83         | 194          | 155          |
| (ii) Lease Liabilities                       | 0          | 1            | 8            |
| Provisions                                   | 1          | 2            | 2            |
| Deferred Tax Liabilities (net)               | 25         | 37           | 53           |
| Other Non-current Liabilities                | 17         | 1            | 0            |
| <b>Total Non-Current Liabilities</b>         | <b>127</b> | <b>234</b>   | <b>218</b>   |
| <b>Current Liabilities</b>                   |            |              |              |
| <b>Financial Liabilities</b>                 |            |              |              |
| (i) Borrowing                                | 115        | 154          | 180          |
| (ii) Lease Liabilities                       | 0          | 0            | 1            |
| (iii) Trade Payables                         | 105        | 275          | 330          |
| Other Financial Liabilities                  | 2          | 9            | 4            |
| Other Current Liabilities                    | 30         | 47           | 55           |
| Current tax liabilities (net)                | 5          | 2            | 10           |
| Provisions                                   | 0          | 0            | 0            |
| <b>Total Current Liabilities</b>             | <b>257</b> | <b>487</b>   | <b>579</b>   |
| <b>Total Liabilities</b>                     | <b>384</b> | <b>721</b>   | <b>797</b>   |
| <b>Total Equity and Liabilities</b>          | <b>560</b> | <b>1,015</b> | <b>1,220</b> |

Source: RHP, BP Equities Research

## Disclaimer Appendix

**Analyst (s) holding in the Stock : Nil****Analyst (s) Certification:**

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