



SMC Ranking
★ ★ ☆ ☆ ☆ (2/5)

Issue Highlights

Industry	Stainless Steel (Mfg.)
Offer for sale (Shares)	62,50,000
Fresh Issue (Shares)	1,46,50,000
Net Offer to the Public	2,09,00,000
Issue Size (Rs. Cr.)	314-331
Price Band (Rs.)	116-122
Offer Date	09-Mar-26
Close Date	11-Mar-26
Face Value	10
Lot Size	110

Issue Composition

	In shares
Total Issue for Sale	2,09,00,000
QIB	1,04,50,000
NIB	31,35,000
Retail	73,15,000

Shareholding Pattern (%)

Particulars	Pre-issue	Post-issue
Promoters & promoters group	78.22%	57.03%
QIB	21.78%	30.47%
NIB	0.00%	3.75%
Retail	0.00%	8.75%
Total	100.00%	100.00%

*calculated on the upper price band

Objects of the Issue

The Company proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. Funding capital expenditure requirements for setting up of manufacturing facility for Stainless Steel Seamless Pipes to expand the product portfolio ("Proposed Facility").
2. Full or part repayment and/or prepayment of certain outstanding secured borrowings availed by the Company; and
3. General corporate purposes

Book Running Lead Manager

- Nirbhay Capital Services Private Limited

Name of the registrar

- KFin Technologies Limited

About the company

Incorporated in 1991, Rajputana Stainless commenced commercial operations in 1993 with the production of mild steel products. The company subsequently transitioned its focus to stainless steel, evolving into a manufacturer of long and flat stainless-steel products under the brand name "RSL." Its portfolio includes billets, forging ingots, rolled black and bright bars, flats, and other allied products. With over two decades of industry experience, the company offers more than 80 grades of stainless steel, primarily catering to a B2B customer base comprising manufacturers and traders across sectors such as forging, seamless pipes, automotive components, engineering, and utensil manufacturing. Rajputana Stainless operates a manufacturing facility in Gujarat equipped with advanced production infrastructure, including induction furnaces, AOD, casting machines, and rolling mills. This integrated setup supports strong production capabilities and adherence to stringent quality standards, reinforced by multiple certifications. While the company's products are widely distributed across the domestic market, it also exports to several international markets, supported by a stable customer base and long-standing relationships. Following financial challenges in the late 1990s, the company implemented strategic restructuring and operational improvements, enabling sustained growth through expanded manufacturing capabilities, a diversified product portfolio, rigorous quality control, and the extensive industry expertise of its promoters and management team.

Strengths

Established, Integrated Manufacturing Facility at a Strategic Location:

Rajputana Stainless operates a well-established and integrated manufacturing facility spread across 35,196.98 square meters in Gujarat. The facility covers the entire production value chain and is equipped with key infrastructure such as induction furnaces, an Argon Oxygen Decarburization (AOD) system, Continuous Casting Machine (CCM), heat treatment units, rolling mill, bright bar shop, and in-house oxygen and nitrogen plants. This integrated setup reduces dependence on external suppliers while enabling efficient production and strict quality control. The company also has the flexibility to modify product specifications and mix based on market demand. Additionally, it plans forward integration through the proposed stainless-steel seamless pipes manufacturing unit and utilizes third-party job-work facilities to supplement production capacity. Its strategic location also provides strong logistics connectivity for smooth movement of raw materials and finished products.

Diversified Product Portfolio: The company offers a diversified range of stainless-steel products including billets, forging ingots, rolled black bars, rolled bright bars, flat patti, wire rods, and other allied products across more

than 80 stainless-steel grades. This broad product portfolio enables the company to cater to varied industrial applications and evolving customer requirements. The diversity in product offerings enhances market adaptability and strengthens its competitive position while reducing dependence on any single product category. By serving multiple industry segments, the company benefits from diversified revenue streams and improved resilience against demand fluctuations.

Strong Customer Base and Long-Term Relationships: With more than two decades of operational experience, the company has developed a stable and loyal customer base supported by its customer-centric approach and ability to deliver products tailored to client specifications. This focus has helped build long-standing relationships and strengthen its industry presence. While the company primarily caters to the domestic market, exports contribute a smaller portion of its revenue. Its established relationships with key customers provide advantages such as stable revenue visibility, enhanced goodwill, and a strong reputation for product quality within the stainless-steel manufacturing sector.

Experienced Promoters and Management Team: Rajputana Stainless is led by experienced promoters and a professional management team with over five decades of combined experience in the steel industry. The promoters have played a pivotal role in shaping the company's strategic direction, operational systems, and business expansion initiatives. The organization follows a collaborative, function-oriented management structure that supports efficient decision-making and operational effectiveness. Supported by a skilled workforce and a strong quality assurance framework, the leadership team's industry expertise enables the company to identify market opportunities, strengthen customer relationships, and maintain consistent operational and financial performance.

Proven Track Record of Financial Growth: The company has demonstrated a strong financial growth trajectory over the years, transforming from a Non-BIFR sick industrial unit into a profitable stainless-steel manufacturer. Revenue from operations increased significantly from ₹3,604.07 lakhs in Fiscal 2006 to ₹93,215.58 lakhs in Fiscal 2025, representing a CAGR of 18.67% over 19 years. Profit after tax also grew from ₹71.23 lakhs to ₹3,985.14 lakhs during the same period, reflecting a CAGR of 23.59%. The company has maintained stable financial performance in recent years through strong customer relationships, disciplined cost management, and efficient operations, while demonstrating resilience during economic disruptions such as demonetization and the COVID-19 pandemic.

Strategies

Establishment of Stainless-Steel Seamless Pipes Manufacturing Unit: The company plans to strengthen its growth through forward integration by setting up a stainless-steel seamless pipes manufacturing facility within its existing plant in Gujarat. This unit will utilize in-house rolled black and bright bars as raw materials, improving operational efficiency, lowering production costs, and ensuring better control over raw material quality and supply. The proposed facility is expected to enhance delivery timelines, improve customer service, and support higher operating margins. It will also enable the company to expand its product portfolio by offering intermediate products such as mother pipes to companies engaged in pilgering processes, thereby expanding its market reach and customer base.

Strengthening Presence in Existing Markets and Expanding Customer Base:

Rajputana Stainless aims to deepen its presence in existing markets while expanding its customer base by leveraging its strong domestic distribution network and diverse product offerings. Its products serve as critical raw materials across industries such as forging, engineering, casting, fasteners, and automotive components. The company currently generates significant revenue from regions such as Maharashtra, Gujarat, and Uttar Pradesh through direct sales and dealer networks. While exports currently represent a smaller share of revenue, the company intends to expand into international markets by leveraging its manufacturing capabilities, established customer acceptance, and the upcoming seamless pipes facility.

Enhancing Operational Efficiency and Profitability: The company continues to focus on improving operational efficiency and profitability through strategic initiatives centered on quality, innovation, and product customization. It regularly evaluates its production processes and maintenance practices to enhance productivity. Investments in advanced technology, upgraded machinery, and automation are expected to further strengthen manufacturing capabilities. Additionally, the company aims to optimize supply chain management and strengthen internal expertise to support sustainable growth and improved financial performance.

Focus on Workforce Development and Training: Rajputana Stainless places strong emphasis on workforce development through continuous technical and functional training programs. The company encourages hands-on learning, skill enhancement, and internal career progression to retain and develop talent. This focus on employee development supports operational efficiency, strengthens organizational capabilities, and enables the company to sustain long-term growth and competitiveness.

Rationalization of Debt and Strengthening Financial Position: The company plans to rationalize its borrowings by reducing outstanding debt in order to improve its debt-to-equity ratio and lower finance costs. A portion of the net proceeds will be utilized for repayment or prepayment of existing loans, which will strengthen the company's balance sheet and free up internal resources for future growth initiatives. This strategy is also expected to improve its ability to access capital at competitive rates for expansion opportunities in the future.

Risk Factors:

- Rajputana Stainless' manufacturing and proposed facilities are located in Gujarat, making its operations susceptible to regional economic conditions and localized disruptions.
- The proposed stainless-steel seamless pipe products may face challenges in achieving market acceptance, which could adversely affect the expected return on investment and future growth prospects.
- As part of its growth strategy, the company plans to expand its international presence, which may expose it to risks and challenges associated with operating in global markets.
- Rajputana Stainless does not own certain properties currently used for its business operations.

Peer Comparison

Co_Name	Total Income	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
Mukand	4727.63	60.07	4.16	30.17	1.89	66.26	10.00	125.50	1813.42
Panchmahal Steel	369.49	-2.17	0.00	0.00	3.88	80.32	10.00	311.80	594.91
Electrotherm(I)	3713.18	156.21	38.79	16.94	-5.44	-120.88	10.00	657.00	837.20
Mangalam World.	1267.07	43.21	13.92	18.85	2.81	93.35	10.00	262.45	779.49
Rajputana Stainless Limited	1003.06	48.82	5.84	20.88	2.68	45.45	10.00	122.00	1019.53

*Peer companies financials are TTM based
Rajputana Stainless Ltd. financials are based on Estimated FY26

Valuation:

Considering the P/E valuation, on the upper end of the price band of Rs.122, the stock is priced at pre issue P/E of 17.22x on Estimated Annualised FY26 EPS of Rs.7.08. Post issue, the stock is priced at a P/E of 20.88x on its EPS of Rs. 5.84. Looking at the P/B ratio at Rs. 122 pre issue, book value of Rs. 29.17 of P/Bvx 4.18x. Post issue, book value of Rs.45.45 of P/Bvx 2.68x.

Considering the P/E valuation, on the lower end of the price band of Rs.116, the stock is priced at pre issue P/E of 16.38x on estimated Annualised FY26 EPS of Rs. 7.08. Post issue, the stock is priced at a P/E of 19.86x on its EPS of Rs.5.84. Looking at the P/B ratio at Rs. 116 pre issue, book value of Rs. 29.17 of P/Bvx 3.98x. Post issue, book value of Rs.45.45 of P/Bvx 2.55x.

Industry Outlook:

The global stainless-steel industry is experiencing steady growth, driven by increasing demand from infrastructure, construction, automotive, and industrial sectors. Global crude steel production remained largely stable, rising marginally from 188.3 crore tonnes in 2020 to 188.4 crore tonnes in 2024, reflecting modest growth of around 0.1% CAGR, with China continuing to dominate global output with about 53.3% share in 2024. India has emerged as the world's second-largest crude steel producer, with production increasing from 10 crore tonnes in 2020 to 14.9 crore tonnes in 2024. The country's steel production capacity also expanded significantly from 14.39 crore tonnes in FY2021 to 20.03 crore tonnes in FY2025. Additionally, India's finished steel consumption grew from 9.49 crore tonnes in FY2021 to 15.2 crore tonnes in FY2025, reflecting strong demand across infrastructure and manufacturing sectors. Globally, stainless-steel production increased from 4.58 crore tonnes in 2016 to 5.84 crore tonnes in 2023 (CAGR of 3.6%) and is projected to reach 6.26 crore tonnes in 2024. In India, domestic stainless-steel consumption is estimated at around 0.48 crore tonnes in FY2025 and is expected to grow to 0.55 crore tonnes by 2030, highlighting strong long-term growth prospects driven by industrial expansion, urbanization, and government-led infrastructure investments.

Outlook

Rajputana Stainless presents moderate investment potential supported by its integrated manufacturing facility, diversified stainless-steel product portfolio, established customer relationships, and a consistent financial growth track record. The proposed stainless-steel seamless pipe unit could enhance value addition, expand the product portfolio, and improve margins if executed successfully. However, investors should also consider risks such as geographical concentration in Gujarat,

potential challenges in market acceptance of new products, historical equity issuance at lower valuations, and limited listed-company experience among directors. Overall, the company may appeal to medium- to long-term investors willing to accept moderate risks for potential growth.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
IPO Open Date	Mon, Mar 9, 2026
IPO Close Date	Wed, Mar 11, 2026
Tentative Allotment	Thu, Mar 12, 2026
Initiation of Refunds	Fri, Mar 13, 2026
Credit of Shares to Demat	Fri, Mar 13, 2026
Tentative Listing Date	Mon, Mar 16, 2026

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 30-Sep-25 (6 Months)	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)
Revenue from operations	501.53	932.16	909.81
Total expenditure	455.61	858.37	850.40
Operating Profit	45.92	73.79	59.41
OPM%	9.16	7.92	6.53
Other Income	1.24	5.33	5.69
Total Net Income	47.16	79.12	65.10
Interest	10.25	15.72	14.47
PBDT	36.91	63.40	50.64
Depreciation	4.60	8.76	8.32
PBT	32.32	54.64	42.32
Tax	7.91	14.79	10.69
Profit & Loss	24.41	39.85	31.63

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 30-Sep-25	As on 31-Mar-25	As on 31-Mar-24
Non-current assets			
Property Plant & Equipment	66.63	67.71	70.39
Intangible assets	0.07	0.07	0.07
Capital Work in-progress	0.15	2.24	0.03
Right-of-use assets	1.73	1.77	0.00
Financial assets	0.00	0.00	0.00
Other Financial Asset	0.08	0.20	0.19
Deferred Tax Assets Net	0.00	0.00	0.00
Other non-current assets	1.85	1.01	1.19
Total non-current assets	70.51	73.00	71.86
Current asset			
Inventories	176.60	132.52	104.19
Financial Assets	0.00	0.00	0.00
Investments	4.22	2.70	0.19
Derivative assets	0.00	0.02	0.00
Trade receivables	155.23	150.22	89.50
Cash and cash equivalents	0.03	0.03	0.04
Bank balances other than Cash and cash equivalents	9.13	11.16	9.34
Other Current Assets	33.09	50.72	48.89
Total current assets	378.29	347.36	252.15
Total Assets	448.80	420.36	324.01
Non-current liabilities			
Financial liabilities			
Long Term Borrowings	12.42	17.64	19.38
Lease Liabilities	1.78	1.77	0.00
Other Financial Liabilities	0.20	0.10	0.08
Deferred tax liabilities (net)	6.51	7.17	6.96
Provisions	3.09	3.10	2.59
Total Non- Current liabilities	24.00	29.78	29.00
Current liabilities			
Financial Liabilities			
Borrowings	73.50	82.11	60.38
Lease Liabilities	0.00	0.00	0.00
Trade Payables	0.00	0.00	0.00
"Total outstanding dues of micro enterprises and small enterprises; and "	16.60	21.85	16.13
Total outstanding dues of creditors other than micro enterprises and small enterprises	142.22	109.96	87.22
Provisions	10.51	15.87	12.17
Other Current Liabilities	5.32	8.84	6.84
Total - Current Liabilities	248.15	238.63	182.74
Total Liabilities	272.14	268.41	211.74
Net worth represented by:			
Equity share capital	68.92	68.92	34.46
Other equity	107.74	83.03	77.81
Total Equity	176.65	151.95	112.27

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