



The Company is an Indian industrial gas producer and distributor, specializing in the centralized generation and pipeline distribution of steam and nitrogen. The Company's business comprises (i) generation and distribution of steam through community boilers, (ii) purchase and distribution of steam generated by third-party industrial units, and (iii) generation and distribution of nitrogen using PSA technology. Steam is supplied to customers across industries including chemicals, pharmaceuticals, paints, agro-chemicals and textiles. As of July 31, 2026, the Company had an aggregate installed steam generation capacity of 345 TPH, equivalent to an annual capacity of 2.19 million TPA.

The Company owns, operates and maintains a dedicated pipeline network connecting its generation facilities with customer premises. As of July 31, 2026, the Company had an operational pipeline network spanning 60,151 metres.

Investment Rationale:

1) Differentiated community gas model in a high-growth market

- Pioneer of India's community boiler model, offering centralized generation and pipeline distribution of steam and nitrogen to industrial customers.
- Centralized supply provides customers with a cost-efficient and operationally efficient alternative to maintaining individual generation infrastructure.
- India's process steam demand stood at ~203,472 TPH in FY26 and is expected to grow at 9.4% CAGR during FY26-FY31, providing a sizeable addressable market (Source: F&S Report).
- Increasing adoption of pipeline-based industrial gas supply and the shift towards centralized generation provide structural growth opportunities.

2) High entry barriers supported by established pipeline infrastructure

- The Company has established an extensive pipeline network across industrial clusters, creating infrastructure-led barriers to entry for new competitors.
- Limited space for laying additional pipelines within established industrial clusters makes replication of the network challenging (Source: F&S Report).
- Established rights-of-way and customer pipeline connections create customer-level switching barriers.
- SCADA, flow meters, steam traps, auto valves and drone-based monitoring enhance operational efficiency, safety and reliability.

3) Strategically located assets with strong distribution infrastructure

- Operates seven community steam boilers across key industrial clusters in Gujarat, with an aggregate installed capacity of 345 TPH / 2.19 million TPA as of July 31, 2026.
- Facilities are strategically located close to industrial customer clusters and major ports, supporting efficient distribution and customer servicing.
- Operates 60.2 km of pipeline infrastructure, providing an established platform for expanding customer connectivity.
- Nitrogen operations at Ankleshwar add a new growth avenue, with installed capacity of 350 Nm³/hour.

4) Robust expansion pipeline to drive capacity and geographic diversification

- The Company has identified eight new community industrial gas facilities across Gujarat and other locations, including Nandesari, Jhagadia, Vapi, Ankleshwar, Pirana, Panoli, Tarapur and Dahej.
- Proposed projects are expected to expand the steam distribution capacity from 345 TPH to 705 TPH, more than doubling capacity and providing significant growth headroom.
- Annual installed capacity is expected to increase from 2.19 million TPA to 4.47 million TPA upon completion of the proposed expansions.
- Expansion into new industrial clusters should support customer diversification, geographic expansion and lower regional concentration.
- Nandesari Phase 2, Vapi Phase 3 and Pirana are expected to use non-fossil fuels, supporting a gradual shift towards more sustainable operations.

5) Asset-light expansion model supports growth with lower capital intensity

- The Company is expanding through purchase-and-distribution arrangements, procuring surplus or by-product steam from third-party industrial units and distributing it through its existing pipeline network.
- This model enables capacity and customer expansion with relatively lower upfront capital expenditure compared with setting up new boiler facilities.
- Existing arrangements with Kilburn Chemicals, Dahej SEZ and Haldia, along with ongoing efforts to identify additional partners, provide opportunities for scalable expansion.
- The model also enables the Company to enter new geographies, improve procurement efficiency, broaden its customer base and cater to multi-location industrial customers.

Valuation and Outlook: Steamhouse India operates a differentiated "steam-as-a-service" business, generating and distributing steam through community boilers and pipelines, and has recently added nitrogen distribution via a PSA facility at Ankleshwar. As of July 31, 2026, it had 345 TPH of installed steam capacity and a 60 km pipeline network across key Gujarat clusters, serving 202 customers with 90.7% repeat revenue in FY26. The company plans to more than double capacity to 705 TPH through eight new facilities and is expanding via an asset-light purchased-steam model (Dahej SEZ, Haldia, Kilburn Chemicals), which should support revenue growth with relatively lower capital intensity. India's process-steam demand is estimated at ~203,472 TPH in FY26 and is projected to grow at a 9.4% CAGR through FY31, providing a large and structurally growing addressable market for centralized steam and pipeline-based industrial gas supply. Nitrogen, while still small (₹5.77 million revenue in FY26), adds optionality and demonstrates the scalability of the pipeline distribution model beyond steam. Overall, the outlook is constructive on the back of a high-growth market and strong repeat revenue. Hence, we recommend **SUBSCRIBE** to the issue for medium-to-long-term investors.

Key Financial & Operating Metrics (Consolidated)

In INR mn	Revenue	YoY (%)	EBITDA	EBITDA %	PAT	EPS	ROE
FY24	2917.1	-7.6%	684.1	23.5%	271.9	1.21	33.90
FY25	3951.1	35.4%	693.2	17.5%	311.6	1.38	26.41
FY26	4915.1	24.4%	834.9	17.0%	386.4	1.71	25.32

Issue Snapshot

Issue Open	09-Sep-26
Issue Close	11-Sep-26
Price Band	INR 77 - 81
Issue Size (Shares)	5,11,11,110
Market Cap (mn)	INR 22389

Particulars

Fresh issue (mIn)	INR 3530
Offer for Sale (mIn)	INR 610
QIB	50%
Non-institutionals	15%
Retail	35%

Capital Structure

Pre Issue Equity	23,28,26,065
Post Issue Equity	27,64,06,311
Bid Lot	185 Shares
Minimum Bid amount @ 77	INR 14245
Maximum Bid amount @ 81	INR 14985

Share Holding Pattern

	Pre Issue	Post Issue
Promoters	96.59%	78.63%
Public	3.41%	21.37%

Particulars

Face Value	INR 2
Book Value	INR 19.02
EPS, Diluted	INR 1.4

Objects of the Issue (Rs mn)

1. Repayment or prepayment of all or a portion of certain outstanding borrowings	1800
2. Funding capital expenditure requirements	1141.3

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OVERVIEW OF INDUSTRIAL GASES IN INDIA

Industrial gases consist of individual gases or gas mixtures utilized across diverse industries for various manufacturing processes and operations. They play an essential role throughout the industrial value chain, from the procuring of raw materials to intermediate processing in industries such as metals, chemicals, pharmaceuticals, and ceramics, ultimately contributing to the production of industrial, consumer, and food products. Industrial gases are indispensable to large-scale industries such as pharmaceuticals, chemicals and textiles, where they play a critical role in optimizing production efficiency and ensuring operational stability. With the continuous expansion of industries reliant on these gases and the broad spectrum of applications within the sector, the industrial gases market is expected to maintain its strong growth momentum well into the future. This growth has been driven by rapid industrialization, infrastructure development, and advancements in gas production, storage, and distribution that improve efficiency and reduce costs.

Traditionally, oxygen, nitrogen, and argon are extracted from air through the air separation process and supplied via on-site production or merchant distribution using tanks, cylinders, and containers. In contrast, steam has historically been generated on-site for captive use in industries such as textiles, food & beverages, chemicals, pharmaceuticals, and tires.

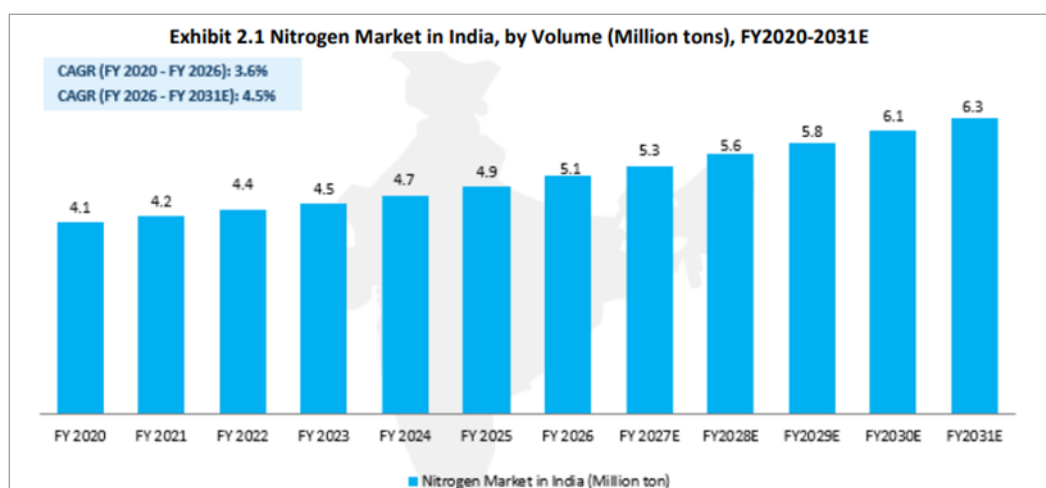
However, certain companies like Steamhouse India Limited (Steamhouse) are working towards transitioning steam production from an on-site generation to a service-based model by introducing community boilers. This innovation eliminates the need for industries to invest in and maintain steam boilers, making "steam as a service" an emerging opportunity. Companies in this up-coming sector with community boiler-based steam-as-a-service model, and ability to deliver industrial gases through a pipeline network, are enabling industries to focus on their core-production as well as achieve higher energy efficiency, reduce capital expenditure on in-house equipment, and enhance operational efficiencies. A shift towards community industrial gas generation and distribution systems also contributes to sustainability by centralizing boiler operations, leading to lower emissions and improved fuel utilization.

As of FY26, cylinder-based supply accounts for 41.5% of India's industrial gas (excluding steam) demand by value. This presents significant potential for players like Steamhouse to offer cost-effective pipeline supply, enabling savings on logistics, ensuring uninterrupted flow, and improving operational efficiency for end users. As the Indian industrial sector continues to expand, the supply of industrial gases through pipelines is emerging as a preferred alternative. This shift also contributes to sustainability by centralizing industrial gas generation, which leads to lower emissions and improved fuel utilization.

Nitrogen:

Overview: Nitrogen gas (N_2) is a colorless, odorless, tasteless, and inert diatomic gas that constitutes approximately 78% of Earth's atmosphere. Nitrogen gas is a vital industrial gas in India, produced through air separation processes. It is available in gaseous and liquid forms, until now, it was supplied via on site production, cylinders, or bulk storage tanks. However, Steamhouse India Limited has commissioned a common nitrogen facility in Ankleshwar that supplies multiple customers through a dedicated distributed pipeline network. As of the date of this report, Steamhouse India Limited is the only company in India known to offer nitrogen through such a shared off-site production and pipeline distribution model, providing an alternative to customer-specific on-site nitrogen generation or conventional cryogenic tank supply. A dedicated pipeline network for nitrogen can enhance supply reliability, reduce logistical complexities, and improves cost efficiency for customers. In addition to ensuring uninterrupted availability for industrial consumers, the dedicated pipeline for an industrial gas like Nitrogen can also demonstrate the scalability of pipeline-based distribution for other industrial gases.

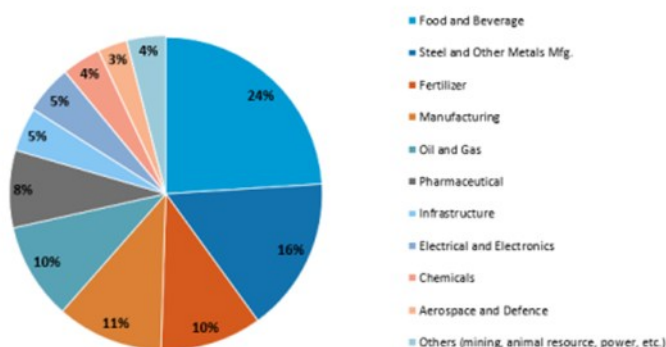
Market size: The demand of nitrogen in India has increased from 4.1 million tons in FY2020 to become 5.1 million tons in FY2026 with CAGR of 3.6% owing to growth in fertilizer production, rapid growth of food packaging industry, consistent consumption in steel production, etc. It is projected to become 6.3 million tons in FY2031.



The market size by value has increased from USD 0.25 billion in FY2020 to USD 0.34 billion in FY2026 and is projected to expand to USD 0.45 billion in FY2031. The major driving factors for such advances are India's push for self-sufficiency in fertilizer sector, rapid improvement in population and urbanization that has increased the crop yield demand, innovations and advancements in emerging applications, investments in manufacturing sector owing to immense support from government in terms of incentives, etc.

Market segmentation by application: In FY2026, the food and beverage industry led nitrogen demand in India, accounting for 24%, primarily for food preservation and gas flushing. Steel and other metal manufacturing also consumed 16%, utilizing nitrogen for strengthening and alloying. The fertilizer sector, with 10% share, relied on nitrogen for ammonia production. The manufacturing, oil & gas, and pharmaceutical industries together accounted for a significant portion, using nitrogen in processes like heat treatment, refining, and reactor cooling. Other industries, including electronics, infrastructure, chemicals and aerospace, contributed to smaller shares, utilizing nitrogen for inert atmospheres, purging, and safety applications.

Exhibit 2.2 Nitrogen Market Segmentation by Application, by Volume (%), FY2026



Source: Frost & Sullivan Analysis

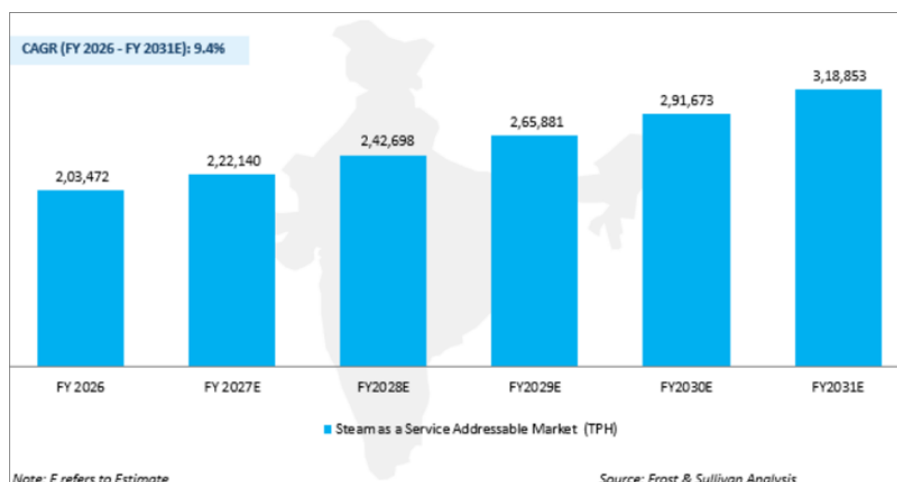
Driving factors for growth: India's nitrogen market is growing due to evolving lifestyle trends, industrial expansion, and government support. The increasing demand for packaged food, driven by fast-paced lifestyles, has boosted nitrogen usage in food packaging. The steel sector, accounting for 7.9% of global production, is witnessing capacity expansion, supported by government incentives and the China+1 strategy, further driving nitrogen demand. Rising food demand has also led to increased use of nitrogenous fertilizers, backed by government policies promoting self-sufficiency in fertilizer production. Additionally, the shift of global pharma and chemical supply chains from China to India, driven by cost advantages and quality standards, has further fueled nitrogen consumption across industries.

Steam:

Overview: Traditionally, industries have relied on on-site steam generation for captive use, with steam being a critical requirement across industrial sectors such as pharmaceuticals, textiles, food processing, paper and pulp, rice mills, distilleries, dairy, urea production, wood processing, chemicals, and tyre manufacturing. However, the emergence of community boilers and steam-as-a-service models, provided by companies like Steamhouse India Limited, is transforming the landscape of industrial steam supply by bringing Steam-as-Service. These centralized boiler systems enable industries to procure steam through pipelines, reducing their capital investment in boiler infrastructure, improving energy efficiency, and lowering operational costs. This transition has created new revenue streams, enabling steam producers to sell steam as a service rather than limiting it to captive use. This model presents a significant market potential, encouraging industries to opt for outsourced steam supply and drive the growth of the industrial steam distribution network.

Market size: In FY2026, India's total process steam demand was approximately 203,472 TPH. With a projected CAGR of 9.4% from FY2026 to FY2031, the market is poised for significant expansion. Assuming an annual operation of 8,000 hours, the total process steam demand is estimated at 1,628 million tons in FY2026. The average cost of steam varies by multiple factors such as the end-use industry (power plants, pharmaceuticals, food processing, etc.), boiler type, fuel type, water quality, feedwater treatment requirements, condensate recovery efficiency, and operational maintenance costs. Considering an average steam cost of INR 2-2.5 per kg, the addressable market potential for the "Steam-as-a-Service" model in India is estimated at approximately ₹3,66,250 crore for FY2026.

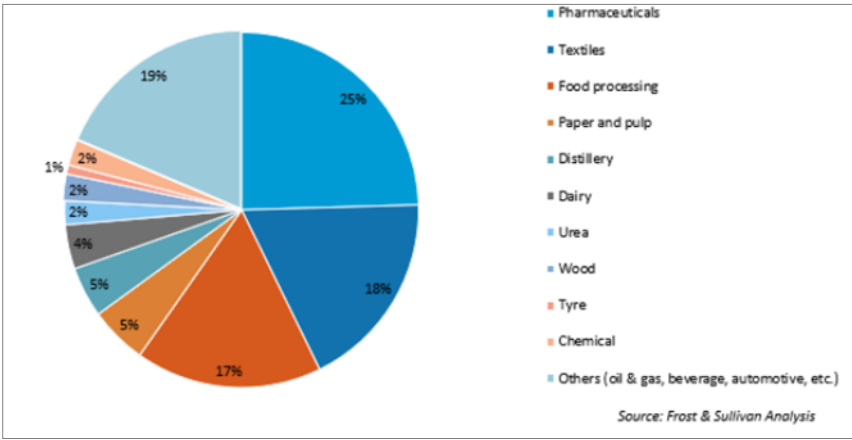
Steam as a Service Addressable Market in India, by Volume (TPH), FY2026-2031E





Market segmentation by application: Steam consumption across various industries, highlighting the percentage share of each sector by volume in the total industrial steam usage. Here's a detailed breakdown:

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



Driving factors for growth: The growth of steam use in India from FY2026 to FY2031 will be driven by rising industrial demand, energy efficiency advancements, and sustainability initiatives. The pharmaceutical sector, the largest consumer, will see increased steam utilization due to expanding drug production, stringent sterilization standards, and the growth of cleanroom facilities. In textiles, steam demand will rise with modernization efforts, process automation, and the push for sustainable fabric treatment. The food processing industry will continue to rely on steam for cooking, pasteurization, and sterilization, driven by growing food safety regulations and increasing consumer demand for processed foods. Distilleries will witness higher steam consumption as alcohol production scales up and energy-efficient distillation techniques gain traction.

Major Steam Consuming Industries in India:

INDUSTRY NAME	FY2026 INDUSTRY SIZE (INR BILLION)	MAJOR PRODUCTION HUBS	KEY GROWTH DRIVERS	FY2026 - FY2031E CAGR
Textile Industry	16,660	Maharashtra, AP, Haryana, Punjab, Gujarat, Tamil Nadu	Policy support, global demand, zero-duty access under the India-UK CETA	5.8%
Pharmaceutical Industry	5,096	Telangana, AP, Maharashtra, Gujarat	Accessibility, acceptability, Epidemiological factors	10.0%
Food Processing Industry	2,565	Maharashtra, Delhi, AP, UP, Tamil Nadu	Changing demographics, consumer preference, changing lifestyle	5.3%
Chemical Industry	25,577	Gujarat, Maharashtra, Tamil Nadu, Odisha	Government initiatives including the BHAVYA Rasayan chemical parks scheme, growth in specialty chemical sector	9.1%
Tyre Industry	1,080	Tamil Nadu, Gujarat, Maharashtra	Replacement market, improving road infrastructure, growing automobile industry	9.2%
Paper and Pulp Industry	1,597	Maharashtra, AP, MP, Karnataka, Gujarat, UP	Packaging industry, availability of raw material, increasing literacy rate	7.7%

Key Growth Drivers for Industrial Gases Market:

The industrial gases market in India is witnessing strong growth, driven by several key factors:

Rising demand from healthcare and pharmaceuticals: The healthcare and pharmaceutical sectors have become significant consumers of industrial and medical-grade gases, with the COVID-19 pandemic highlighting the vital role of medical oxygen infrastructure. Demand remains strong for gases like oxygen, nitrous oxide, and carbon dioxide across hospitals, diagnostics, biotechnology, and pharmaceutical manufacturing.

Clean energy and green hydrogen initiatives: India's clean energy transition, led by the National Green Hydrogen Mission, is emerging as a major growth catalyst. With rising emphasis on green hydrogen production and building a hydrogen-based economy, industrial gas producers are set to play a central role-supporting hydrogen generation, storage, and infrastructure for renewable energy and fuel cell technologies.

Infrastructure development and refinery expansion: India's continued investments in infrastructure and the expansion of its refining and petrochemical sectors are driving robust demand for industrial gases across multiple applications—ranging from nitrogen for purging and blanketing, to oxygen for combustion, and hydrogen for hydrocracking. Leading oil and gas companies are ramping up investments in new refinery projects and capacity expansions, reinforcing the need for dependable gas supply. The country aims to increase its refining capacity from 267.1 million tons in FY2026 to 310 million tons by FY2030.

Electronics and semiconductor manufacturing push: India's push to become a global hub for electronics and semiconductor manufacturing is unlocking a significant growth opportunity for industrial gases. Semiconductor fabs and electronics assembly units require ultra-high-purity gases like nitrogen, argon, silane, hydrogen, etc. which drives long-term demand for specialty gas suppliers in this sector. The India Semiconductor Mission (ISM), under the SEMICON India program, is backed by a substantial budget outlay of ₹76,000 crore.

About the company

The Company is an Indian industrial gas producer and distributor, specializing in the generation and centralized distribution of industrial gases, including steam and nitrogen, through its pipeline network. The Company is pioneers of the community boiler system in India, which was introduced in 2014 (Source: F&S Report). Under this model, the Company supplies industrial gases to multiple customers through a centralized pipeline network, offering an alternative to customers maintaining individual gas-generation infrastructure.

The Company's industrial gas business comprises three key activities:

- **Generation and distribution of steam:** The Company's community steam generation and distribution business is its primary revenue-generating segment. The Company commissions boiler manufacturers for the design, engineering and manufacturing of boilers, along with technical assistance for installation and commissioning. The boilers are installed on leased or sub-leased land and primarily use coal, textile waste and refuse-derived fuel (RDF) as feedstock for steam generation. The steam generated at these community boiler facilities is distributed to industrial customers through the Company's dedicated pipeline network. The Company is responsible for the operation and maintenance of the community boiler systems, enabling centralized generation and distribution to customers across industries such as chemicals, pharmaceuticals, paints, agro-chemicals and textiles.

- **Purchase and distribution of steam:** Under its purchase and distribution model, the Company procures steam generated by third-party industrial units, often as a by-product of their core manufacturing processes, and distributes it to industrial customers through its existing pipeline network. This model enables the Company to expand its steam distribution operations without the need to establish additional generation infrastructure, thereby requiring relatively lower capital investment.

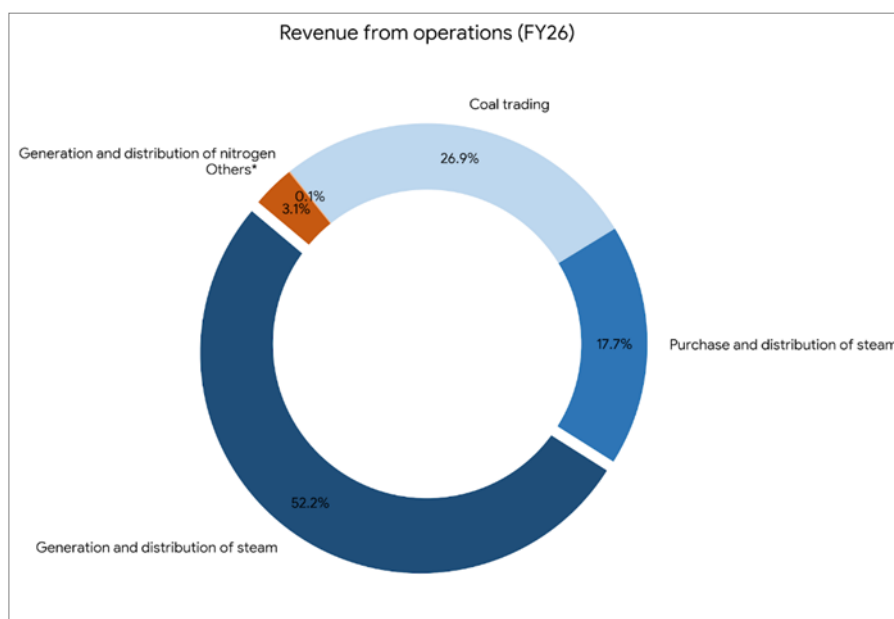
The Company currently distributes purchased steam in Dahej GIDC (Phase 1) and Sachin GIDC. Further, in April 2026, it entered into five-year steam purchase agreements with chemical companies for the procurement and distribution of steam in Dahej SEZ and Haldia. Operations at both locations are expected to commence within the next 12 months from the date of the RHP.

Revenue under this model is generated through the sale and distribution of purchased steam, while the Company leverages its existing pipeline infrastructure to serve industrial customers.

- **Separation, compression and distribution of nitrogen:** The Company has expanded into nitrogen generation and distribution. Nitrogen is extracted from atmospheric air using Pressure Swing Adsorption (PSA) technology, purified and supplied to customers through thermally insulated inlet and outlet nitrogen pipelines.

The Company procures coal, its primary fuel requirement for the industrial gas business, and also undertakes coal trading on an invoice-only basis. During FY26 and FY25, the Company supplied coal to its group companies, Sanjoo Dyeing & Printing Mills Private Limited ("Sanjoo Dyeing") and Sanjoo Prints Private Limited. These transactions were classified as related-party transactions.

Revenue mix:



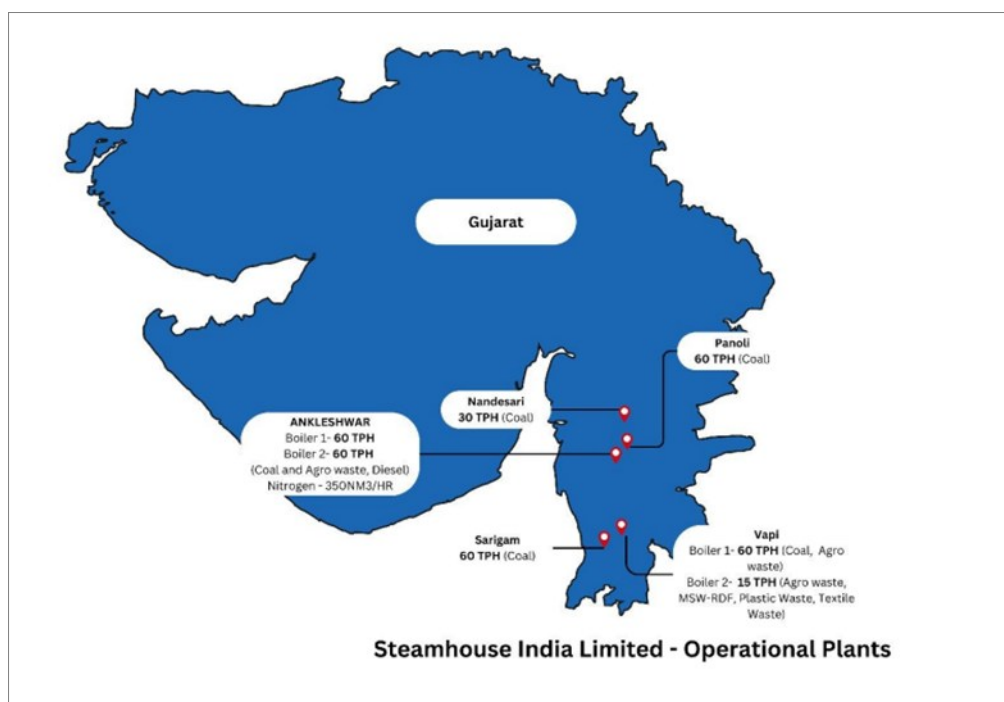
The Company currently operates seven community steam boilers in Gujarat, comprising six owned and one leased facility, across Vapi Phase 1, Vapi WTE, Ankleshwar Phase 1, Ankleshwar Phase 2, Sarigam, Nandesari and Panoli. These facilities are strategically located close to major industrial customer clusters and ports in Gujarat, enabling efficient distribution through the Company's pipeline network.

As of July 31, 2026, the Company had an aggregate installed steam generation capacity of 345 TPH, equivalent to an annual capacity of 2.19 million TPA (Annual installed capacity has been calculated assuming 330 operational days and boilers operating at an efficiency of 80%). In addition to its own generation capacity, the Company purchases and distributes steam at Dahej GIDC (Phase 1) and Sachin GIDC, providing an additional avenue for expanding its distribution footprint without significant investment in generation assets.

The Company is also expanding its purchased-steam operations, having entered into five-year steam purchase agreements in April 2026 with chemical companies for supply and distribution in Dahej SEZ and Haldia. Operations at both locations are expected to commence within the next 12 months from the date of the RHP.

In nitrogen, the Company operates a generation and distribution facility at Ankleshwar, which commenced commercial operations on February 1, 2025. The facility has an installed capacity of 350 Nm³/hour and supplies nitrogen to customers through the Company's pipeline network.

The map below shows the location of each of our operational boiler facilities and their boiler capacity as of July 31, 2026.



The Company has fuel flexibility, using a mix of coal and non-fossil fuels, including plastic waste and textile chindi, across its operational community steam boilers. It is also exploring the increased use of alternative fuels such as agro-waste and refuse-derived fuel (RDF) for steam generation, which could further diversify its fuel mix.

Distribution Network

The Company owns, operates and maintains a dedicated pipeline network connecting its generation facilities with customer premises. As of July 31, 2026, the Company had an operational pipeline network spanning 60,151 metres (60.2 km), with individual pipelines ranging from 3,000 metres to 20,000 metres in length. The Company has established rights-of-way for its pipelines, which generally connect with customer-owned pipelines at their premises.

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

The established pipeline infrastructure enables the Company to efficiently distribute both self-generated and purchased steam to industrial customers. Currently, purchased steam is distributed through the Company's pipeline network in Dahej GIDC (Phase 1) and Sachin GIDC. Further, five-year steam purchase agreements entered into in April 2026 for Dahej SEZ and Haldia are expected to support further expansion of the distribution network, with operations at both locations expected to commence within the next 12 months from the date of the RHP.

The extensive pipeline network and established rights-of-way provide the Company with a scalable distribution infrastructure, supporting customer connectivity and expansion into new industrial clusters.

Strong Customer Base with High Repeat Revenue

The company served 202 customers during Fiscal 2026, 173 customers during Fiscal 2025 and 125 customers during Fiscal 2024. It has established a strong industrial customer base in Gujarat, serving customers across diverse sectors including pharmaceuticals, chemicals, textiles, agro-chemicals, tyres, dyes and pigments, polymers and paints. Its customer base includes reputed companies such as Aether Industries, Anupam Rasayan India, Globe Enviro Care, Gujarat Polysol Chemicals, Devanshi Dyestuff, K. Patel Chemo Pharma, K. Patel Dye Chem Industries, Mahavir Synthesis, Mangalam Intermediaries, Orgo Chem Gujarat and Subhasri Pigments. In Fiscal 2026, Fiscal 2025 and Fiscal 2024, 100% of revenue from the sale of industrial gases was earned from customers in Gujarat.

The Company has demonstrated a high level of customer retention, with repeat customers contributing 90.7% of revenue from operations in FY26, compared with 88.0% in FY25 and 91.5% in FY24. The consistently high contribution from repeat customers indicates strong customer stickiness and recurring demand for its industrial steam and gas solutions.

Concentration of customers

Particulars	Fiscal 2024		Fiscal 2025		Fiscal 2026	
	₹ million	% of revenue	₹ million	% of revenue	₹ million	% of revenue
Largest customer	314.19	10.77%	656.03	16.60%	902.44	18.36%
Top 3 customers	833.92	28.59%	1,117.92	28.29%	1,396.11	28.40%
Top 10 customers	1,744.12	59.79%	2,131.67	53.95%	2,352.91	47.87%

Investment rationale:

1) Leading Market Position with Energy-Efficient Solutions in a High-Growth Market

The Company has established a differentiated position in India's industrial gas market through its community-based centralized generation and pipeline distribution model, supplying industrial gases such as steam and nitrogen from central plants to multiple customers. This model provides an alternative to individual generation infrastructure and enables customers to benefit from shared resources, lower maintenance requirements and potentially higher operational efficiency.

Industrial gases are critical inputs for industries such as pharmaceuticals, chemicals and textiles, supporting production efficiency and operational stability. As of FY26, cylinder-based supply accounted for 41.5% of India's industrial gas demand (excluding steam) by value, while pipeline-based distribution is increasingly emerging as a preferred solution for industrial customers as the manufacturing base expands (Source: F&S Report). The Company believes that its dedicated pipeline infrastructure for nitrogen also demonstrates the scalability of its centralized distribution model across other industrial gases.

The addressable market for process steam also offers significant growth potential. According to the F&S Report, India's total process steam demand stood at approximately 203,472 TPH in FY26 and is projected to grow at a 9.4% CAGR between FY26 and FY31. Increasing complexity and maintenance requirements associated with individual steam-generation assets are encouraging process industries to adopt centralized generation and distribution solutions.

Against this backdrop, the Company is well positioned to capitalize on the shift towards centralized industrial gas generation and pipeline-based distribution, offering customers an energy-efficient and cost-effective alternative while benefiting from the structural growth in India's industrial and process manufacturing sectors.

2) High Barriers to Entry Supported by Established Infrastructure

The Company and its Promoters are pioneers of the community boiler system in India, having introduced the model in 2014 (Source: F&S Report). Over the years, the Company has established a presence across industrial clusters through an exclusive pipeline network, creating a significant infrastructure-led entry barrier for potential competitors. Limited space availability within established industrial clusters makes it challenging for new players to develop parallel pipeline networks (Source: F&S Report).

The Company's operating experience and technological capabilities further strengthen its competitive position. It has developed expertise in distributing industrial gases while minimizing pressure and temperature losses and uses SCADA systems, steam traps, auto valves and flow meters for real-time monitoring and operational control. The Company also leverages drones for mapping and monitoring its pipeline infrastructure and uses third-party technology platforms to collect and analyze data from deployed sensors and electrical panels. These systems enable better monitoring of operations, identification of vulnerabilities and closer alignment between contracted customer requirements and actual production.

The Company's established pipeline infrastructure also creates customer-level switching barriers. New entrants may face challenges in identifying suitable routes for additional pipelines within space-constrained industrial clusters and in supplying customers located farther from generation facilities while minimizing transmission losses. Further, customers already connected to an incumbent supplier's pipeline may have limited incentive to create an additional landing point for a competing pipeline network (Source: F&S Report).

Overall, the combination of established pipeline infrastructure, limited space availability, operating expertise, technology-enabled monitoring and customer connectivity creates meaningful barriers to entry and supports the Company's competitive positioning in the community industrial gas market.

3) Strategically Located Facilities with Scalable Community Gas Infrastructure

The Company operates seven community steam boilers in Gujarat, comprising six owned and one leased facility, located across key industrial clusters such as Vapi, Ankleshwar, Sarigam, Nandesari and Panoli. These facilities are strategically positioned close to industrial customer clusters and major ports, enabling efficient distribution and access to key manufacturing hubs.

As of July 31, 2026, the Company had an aggregate installed steam generation capacity of 345 TPH, equivalent to approximately 2.19 million TPA. In addition to its own generation capacity, the Company purchases and distributes steam at Dahej GIDC (Phase 1) and Sachin GIDC, thereby expanding its distribution footprint without requiring equivalent investments in generation assets.

The Company is further expanding its purchased-steam business through five-year steam purchase agreements entered into in April 2026 for operations in Dahej SEZ and Haldia. Operations at both locations are expected to commence within the next 12 months from the date of the RHP, providing additional avenues for capacity and revenue growth.

The Company has also diversified into nitrogen generation and distribution through its Ankleshwar facility, which commenced commercial operations in February 2025 with a capacity of 350 Nm³/hour. Its extensive pipeline infrastructure remains a key strategic asset, with 60.2 km of operational pipelines connecting its facilities to customer premises as of July 31, 2026. Established pipeline rights-of-way and connections with customer-owned pipelines further support the Company's ability to serve established industrial clusters and expand its community gas distribution network.

4) Robust Expansion Pipeline to Drive Growth and Geographic Diversification

The Company is actively evaluating new projects across existing and emerging industrial clusters in Gujarat and other parts of India. It intends to participate in tenders for community industrial gas generation and distribution systems in upcoming industrial parks, which could enable it to expand its customer base and reduce regional concentration.

The Company has identified eight planned facilities across Nandesari (Phase 2), Jhagadia, Vapi (Phase 3), Ankleshwar (Phase 3), Pirana (Ahmedabad), Panoli (Phase 2), Tarapur and Dahej GIDC (Phase 2). The planned expansion provides multiple avenues for increasing market penetration, diversifying its geographic presence and strengthening business resilience.

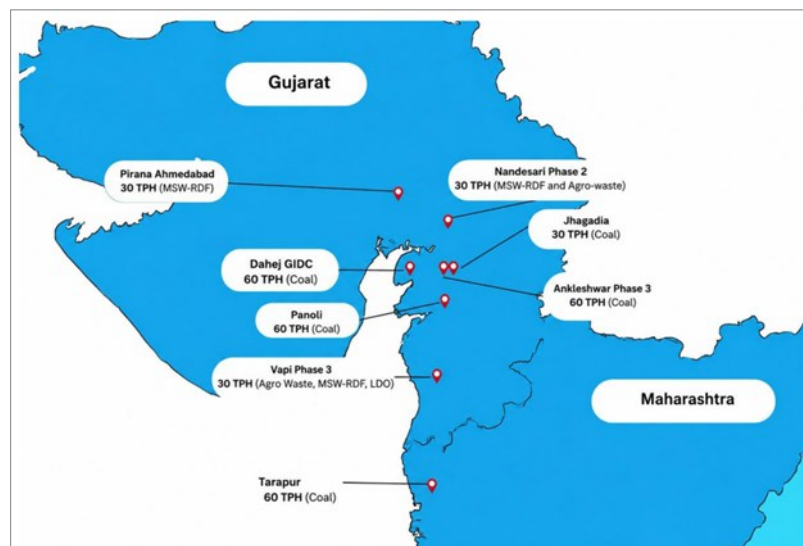
Notably, Nandesari (Phase 2), Vapi (Phase 3) and Pirana (Ahmedabad) are expected to use non-fossil fuels for steam generation, indicating a gradual shift towards more sustainable fuel sources as the Company expands its capacity.

Upon completion of the proposed expansion projects, the Company's steam distribution capacity is expected to more than double from 345 TPH to 705 TPH. Correspondingly, annual installed capacity is expected to increase from 2,185,920.00 TPA to 4,466,880.00 TPA, providing significant headroom for future revenue growth.

The table below sets forth details of community boiler facilities that are currently under construction as on July 31, 2026.

Location	Plant capacity (in TPH)	Fuel type
Nandesari (Phase 2)	30	Plastic waste, textile chindi, refuse-derived fuel and agro-waste
Jhagadia	30	Coal
Vapi (Phase 3)	30	Plastic waste, textile chindi, refuse-derived fuel and agro-waste
Ankleshwar (Phase 3)	60	Coal
Pirana (Ahmedabad)	30	Plastic waste, textile chindi, refuse-derived fuel and agro-waste
Panoli (Phase 2)	60	Coal
Tarapur	60	Coal
Dahej GIDC (Phase 2)	60	Coal

The map below shows the location of each of our proposed new boiler facilities.



The Company is pursuing an asset-light expansion strategy through purchase and distribution arrangements, which enable it to expand its steam distribution capacity with relatively lower capital expenditure. Under this model, the Company partners with third-party industrial units that have surplus steam generation capacity, either as a primary output or a by-product of their manufacturing processes. The Company procures steam from these partners under commercial arrangements and distributes it to industrial customers through its existing pipeline infrastructure, thereby avoiding the significant upfront investment required to establish new boiler facilities.

The Company has entered into such arrangements with Kilburn Chemicals Limited, a titanium dioxide manufacturer, as well as chemical companies in Dahej SEZ and Haldia. It is also actively exploring similar partnerships with other industrial units generating surplus or by-product steam across its target industrial clusters.



In Sachin, the Company has entered into a steam purchase arrangement with its group company, Sanjoo Dyeing, which owns the steam generation assets. Under the arrangement, the Company operates and maintains the boilers and distributes the generated steam to its industrial customers. The Company also purchases and distributes steam in Dahej GIDC (Phase 1).

This asset-light model enables the Company to scale its distribution network with lower upfront capital requirements, while expanding its geographic footprint and customer base. The strategy is also expected to improve procurement efficiencies, reduce dependence on individual geographies, facilitate customer additions and enable the Company to cater to multi-location customers and a broader range of industries.

Valuation and outlook:

Steamhouse India operates a differentiated “steam-as-a-service” business, generating and distributing steam through community boilers and pipelines, and has recently added nitrogen distribution via a PSA facility at Ankleshwar. As of July 31, 2026, it had 345 TPH of installed steam capacity and a 60 km pipeline network across key Gujarat clusters, serving 202 customers with 90.7% repeat revenue in FY26. The company plans to more than double capacity to 705 TPH through eight new facilities and is expanding via an asset-light purchased-steam model (Dahej SEZ, Haldia, Kilburn Chemicals), which should support revenue growth with relatively lower capital intensity. India’s process-steam demand is estimated at ~203,472 TPH in FY26 and is projected to grow at a 9.4% CAGR through FY31, providing a large and structurally growing addressable market for centralized steam and pipeline-based industrial gas supply. Nitrogen, while still small (₹5.77 million revenue in FY26), adds optionality and demonstrates the scalability of the pipeline distribution model beyond steam. Overall, the outlook is constructive on the back of a high-growth market and strong repeat revenue. Hence, we recommend **SUBSCRIBE** to the issue for medium-to-long-term investors.

Income Statement

Y/E (INR mn)	FY24	FY25	FY26
Revenue	2,917.1	3,951.1	4,915.1
Expenses:			
Cost of Material Consumed	1,774.6	1,528.1	1,598.6
Purchase of stock-in-trade	21.6	1,321.7	1,945.0
Changes In inventories of finished goods, stock-in-transit and work-in-progress		-11.4	11.4
Employee Cost	79.0	97.8	134.8
Other Expenses	357.8	321.7	390.5
Total Expenses	2,233.0	3,257.9	4,080.2
EBITDA	684.1	693.2	834.9
EBITDA Margin %	23.5%	17.5%	17.0%
Interest	186.8	221.8	217.3
Depreciation	78.7	115.9	139.9
Other Income	14.2	34.2	34.6
PBT	433.0	389.7	512.4
PAT	271.9	311.6	386.4
EPS	1.21	1.38	1.71

Cash Flow

Y/E (INR mn)	FY24	FY25	FY26
Profit Before Tax	433.0	389.7	512.4
Operating Profit Before Working Capital Changes	711.6	721.9	885.2
Adjustment	278.6	332.3	372.8
Changes In working Capital	-393.1	441.6	198.3
Cash Flow after changes in Working Capital	318.5	1163.5	1083.5
Tax Paid	108.3	92.5	78.9
Cash From Operating Activities	210.2	1071.0	1004.6
Cash From Investing Activities	-1259.1	-1229.9	-1445.7
Cash from Financing Activities	1037.2	123.5	480.4
Net Cash Inflow / Outflow	-11.7	-35.5	39.3
Opening Cash & Cash Equivalents	-151.8	-163.5	-199.0
Closing Cash & Cash Equivalent	-163.5	-199.0	-159.7

Balance Sheet

Y/E (INR mn)	FY24	FY25	FY26
Source of funds			
Equity Share Capital	452.0	452.0	452.0
Reserves	583.5	872.5	1,275.7
Total Share holders funds	1,035.4	1,324.4	1,727.7
Total Debt	2,027.1	2,229.5	2,816.2
Current Liabilities	1,785.6	2,501.7	3,366.0
Trade Payables	364.8	780.4	932.3
Total Non-Current Liabilities	1,402.0	1,610.6	1,700.8
Total Liabilities	4,223.1	5,436.7	6,794.5
Application of funds			
Fixed Assets	1,715.3	2,137.2	2,847.0
Capital Work in Progress	644.2	1,155.0	1,579.4
Inventories	462.3	461.0	412.8
Cash and Bank	197.5	76.8	105.1
Trade Receivables	230.2	302.5	392.8
Other current assets	288.1	290.7	218.6
Total Assets	4,223.1	5,436.7	6,794.5

Key Ratios

Y/E (INR mln)	FY24	FY25	FY26
Growth Ratio			
Net Sales Growth(%)	-7.55	35.44	24.40
EBITDA Growth(%)	18.06	1.33	20.45
PAT Growth(%)	-18.60	14.62	24.00
Margin Ratios			
EBITDA	23.45	17.54	16.99
PBT	14.84	9.86	10.42
PAT	9.32	7.89	7.86
Return Ratios			
ROA	8.12	6.45	6.32
ROE	33.90	26.41	25.32
ROCE	26.43	21.49	21.84
Turnover Ratios			
Asset Turnover(x)	0.87	0.82	0.80
Inventory Turnover(x)	10.70	8.56	11.25
Fixed Asset Turnover (x)	1.50	1.43	1.97
Solvency Ratios			
Debt/Equity(x)	1.96	1.68	1.63
Current Ratio(x)	0.67	0.46	1.54
Quick Ratio(x)	0.41	0.28	0.80
Interest Cover(x)	3.32	2.76	3.36
Valuation Ratios			
P/E	-	-	47.37
P/B	-	-	4.26
EV/EBITDA	-	-	30.06
EV/Sales	-	-	5.11



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