



Company Overview

Rajputana Stainless Ltd. (RSL), incorporated in 1991, is engaged in the manufacturing of long and flat stainless-steel products under the brand name "RSL." The company's product portfolio includes billets, forging ingots, rolled black bars, rolled bright bars, flats and pattis, along with other ancillary products. RSL offers its products in more than 80 different stainless-steel grades, reflecting its ability to meet varied technical specifications and application-specific requirements across. The company primarily operates on a business-to-business (B2B) model, supplying its products to a diverse customer base, mainly manufacturers and traders. Its stainless-steel products are widely used across several industries, including bar processing, seamless pipes, forging, wire manufacturing, engineering, casting, fasteners, utensil manufacturing, pumps and shafts, and the auto sector. This wide industrial application highlights the adaptability and performance of the company's stainless-steel solutions for both standard and specialized uses. Apart from revenue generated through the manufacturing and sale of stainless-steel products, the company also earns income from (i) the sale of consumables, scrap, and other items, (ii) the sale of traded goods, and (iii) job work and other ancillary services. RSL distributes its products across 14 states and 2 union territories in India through a combination of direct sales and a network of traders. The company primarily operates from its manufacturing facility located in Kalol, Panchmahal district, Gujarat, situated on Halol-Kalol Road. The facility spans approximately 35,196.98 sq. meters, including 17,610 sq. meters of currently unutilized land. To meet rising demand and specific customer requirements, the company also utilizes third-party manufacturing units on a job-work basis. In addition to serving the domestic market, RSL exports its products to nine countries, including Turkey, the UAE, Poland, Portugal, the USA, South Africa, South Korea, the Czech Republic, and Kuwait. With over two decades of experience in the stainless-steel manufacturing industry, RSL has developed strong technical capabilities and operational efficiencies. Over time, the company has built a broad and loyal customer base by consistently meeting stringent quality standards and adapting to evolving industry requirements.

Objects of the issue

The company proposes to utilize the net proceeds towards funding the following objects:

- ⇒ Funding capital expenditure requirements for expansion of the existing manufacturing facility at Panchmahal district, Gujarat through forward integration and diversification of product portfolio i.e., Stainless Steel Seamless Pipes (Proposed Facility);
- ⇒ Full or part repayment and/or prepayment of certain outstanding borrowings availed by the company; and
- ⇒ General corporate purposes

Investment Rationale

Strategically located integrated manufacturing setup with expansion potential

RSL operates its primary manufacturing facility on Halol-Kalol Road in Kalol, Panchmahal district, Gujarat. The facility has an integrated manufacturing setup that covers the entire production chain, from melting and refining to casting/rolling, heat treatment, testing, and storage. The plant is equipped with key infrastructure, including an induction furnace, AOD, CCM, heat treatment facilities, a rolling mill, and a bright bar shop. Additionally, the facility houses oxygen and nitrogen plants, reducing dependence on third-party suppliers and supporting uninterrupted production. The manufacturing process combines mechanized operations with human skills to maintain desired production standards. The facility is also supported by infrastructure for raw material and finished goods storage, along with quality control systems. RSL's integrated production process provides production flexibility, enabling the company to customize products based on specific customer requirements and adjust its product mix to cater to evolving market conditions. Strategically located near National Highway (NH 148N), the facility offers convenient connectivity and access to multiple transportation modes, facilitating efficient movement of both inbound raw materials and outbound finished goods. Further, RSL plans to expand its manufacturing capabilities through forward integration and product diversification. The company intends to utilize a portion of the vacant land within the premises of its existing facility to establish a plant for manufacturing stainless-steel seamless pipes. The basic raw material required for seamless pipes is already produced in-house, which positions the company well for this expansion. By leveraging its existing capabilities and raw material production, this forward integration is expected to enhance operational efficiency, reduce production costs, ensure consistent raw material supply, and improve overall product quality, thus giving it a competitive advantage and allowing it to achieve economies of scale.

Issue Details

Offer Period	09th Mar -11th Mar, 2026
Price Band	Rs. 116 to Rs. 122
Bid Lot	110
Listing	BSE, NSE
Issue Size (no. of shares in Crs.)	2.09
Issue Size (Rs. in Crs.)	255
Face Value (Rs.)	10

Issue Structure

QIB	50%
NIB	15%
Retail	35%

BRLM	Nirbhay Capital Services Private Limited
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Registrar	KFin Technologies Limited
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Particulars	Pre Issue %	Post Issue %*
Promoters and promoter group	78.22	57.01
Public	21.78	42.99
Total	100.00	100.00

(Assuming issue subscribed at higher band)

Research Team - 022-61596138

Rajputana Stainless Limited

Wide product portfolio and customer-centric approach driving growth

RSL specializes in manufacturing stainless-steel products in various sizes and grades, which have applications across a broad range of industries. Its portfolio comprises billets, forging ingots, rolled black bars, rolled bright bars, flat patti, wire rods, and other ancillary products. This diverse product offering enables RSL to effectively meet evolving customer requirements and respond to changing market demands. The company's product versatility provides it with a competitive advantage, allowing it to compete more effectively within the industry. Additionally, its diversified product portfolio reduces dependence on any particular product, thereby de-risking its revenue streams. Over the years, RSL has developed long-term association with a wide customer base, which gives competitive advantages such as improved revenue visibility, industry goodwill, and a reputation for quality. Recognition of its product quality has helped the company to penetrate the stainless-steel products market and cater to new customers in addition to its existing customer network. A key differentiating factor for RSL is its customer-centric approach, under which it offers stainless-steel products tailored to specific customer requirements. This approach has supported the company's business growth and helped expand its presence within the industry.

Valuation

Rajputana Stainless Ltd. is engaged in the manufacturing of long and flat stainless-steel products and offers more than 80 grades of stainless steel, catering to a wide range of industries. The company operates entirely on a B2B model, serving primarily manufacturers and traders. India is the second-largest consumer and the third-largest producer of stainless steel globally, accounting for an average of about 7% of global stainless-steel output during 2016-2020. Given the broad end-consumer base, demand for long and flat stainless-steel products is closely linked to overall economic growth, industrial, as well as consumer demand scenarios. RSL is well positioned to benefit from these structural tailwinds, supported by its diversified product portfolio. The company's integrated manufacturing facility enables efficient end-to-end production, operational flexibility, and customization of products to meet evolving customer requirements. Its strategic location supports efficient logistics, while planned forward integration into stainless-steel seamless pipes using in-house raw materials is expected to improve cost efficiency, ensure supply consistency, enhance product quality, and support scalable growth. Financially, the company has demonstrated steady improvement in profitability, with PAT growing at a CAGR of 28.7% and EBITDA at 29.7% during FY23-FY25. Over the same period, EBITDA margin expanded from 4.6% to 7.9%, while PAT margin improved from 2.5% to 4.3%, reflecting better operational efficiency. At the upper price band of Rs. 122, Rajputana Stainless Ltd. is valued at a P/E multiple of 21.1x based on FY25 earnings. **Given the company's improving margins, diversified product portfolio, and potential growth from forward integration initiatives, we recommend a "SUBSCRIBE" rating for this issue with a medium to long-term investment horizon.**

Key Risks

- ⇒ The company derives a significant portion of its revenue from its top 10 customers. The company does not have long-term contracts with all of these customers, and their orders are largely based on purchase orders or ongoing business relationships. Any reduction in demand, loss of key customers, or termination of purchase arrangements could adversely impact the company's revenue visibility, cash flows, financial condition, and overall operating performance.
- ⇒ The company, along with its promoters, directors, KMPs, and SMPs, is involved in certain ongoing legal proceedings. The total amount involved in litigations against the company aggregates to Rs. 12,861.77 lakh, representing approximately 72.8% of its net worth. Any unfavorable outcome in these proceedings could materially impact the company's business operations, financial condition, and results of operations.
- ⇒ The company's manufacturing Facility and proposed facility are located in Gujarat, and therefore, operations are highly vulnerable to regional conditions and economic downturns in the region.

Rajputana Stainless Limited

Income Statement (Rs. in crores)

Particulars	FY23	FY24	FY25	H1FY26
Revenue				
Revenue from operations	948	910	932	502
Total revenue	948	910	932	502
Expenses				
Cost of materials consumed	749	743	685	360
Purchase of Traded Goods	0	0	59	47
Changes in inventories of finished goods and work in progress	30	-23	-9	-14
Employee benefits expense	18	21	23	11
Other expenses	107	109	100	51
Total operating expenses	904	850	858	456
EBITDA	44	59	74	46
Depreciation & amortization expenses	7	8	9	5
EBIT	37	51	65	41
Finance costs	11	14	16	10
Other Income	3	6	5	1
PBT	29	42	55	32
Tax expense	5	11	15	8
Net Profit	24	32	40	24
Diluted EPS	3.5	4.6	5.8	3.5

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in crores)

Particulars	FY23	FY24	FY25	H1FY26
Cash Flow from operating activities	25	31	7	24
Cash flow from investing activities	-13	-6	-12	0
Cash flow from financing activities	-12	-25	5	-23
Net increase/(decrease) in cash and cash equivalents	0	0	0	0
Cash and cash equivalents at the beginning of the period	0	0	0	0
Cash and cash equivalents at the end of the period	0	0	0	0

Source: RHP, BP Equities Research

Rajputana Stainless Limited

Balance Sheet (Rs. in crores)

Particulars	FY23	FY24	FY25	H1FY26
ASSETS				
Non-current Assets				
Property, plant and equipment	53	70	68	67
Intangible assets	0	0	0	0
Capital Work In Progress	15	0	2	0
Right-of-use assets	0	0	2	2
Financial assets				
(i) Other financial assets	5	0	0	0
Deferred tax assets (net)	0	0	0	0
Other non-current assets	1	1	1	2
Total Non-Current Assets	74	72	73	71
Current Assets				
Inventories	88	104	133	177
Financial assets				
(i) Investments	1	0	3	4
(ii) Derivative assets	0	0	0	0
(iii) Trade receivables	107	89	150	155
(iv) Cash and cash equivalents	0	0	0	0
(v) Bank balances other than cash and cash equivalents	7	9	11	9
Other current assets	20	49	51	33
Total Current Assets	223	252	347	378
Total Assets	297	324	420	449
EQUITY AND LIABILITIES				
Equity				
Equity share capital	34	34	69	69
Other equity	47	78	83	108
Total Equity	81	112	152	177
Liabilities				
Non-Current Liabilities				
Financial liabilities				
(i) Long Term Borrowing	25	19	18	12
(ii) Lease liabilities	0	0	2	2
(iii) Other Financial Liabilities	11	0	0	0
Deferred Tax Liability (net)	7	7	7	7
Provisions	2	3	3	3
Total Non-Current Liabilities	45	29	30	24
Current Liabilities				
Financial liabilities				
(i) Short Term Borrowings	55	60	82	73
(ii) Trade payables	98	103	132	159
Other current liabilities	9	7	9	5
Provisions	10	12	16	11
Total Current Liabilities	171	183	239	248
Total Liabilities	216	212	268	272
Total Equity and Liabilities	297	324	420	449

Source: RHP, BP Equities Research

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

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