

Retail Research	IPO Note
Sector: Iron & Steel Products	Price Band (Rs): 116 – 122
06th March 2026	Recommendation: SUBSCRIBE for Long Term

Rajputana Stainless Ltd.

Company Overview:

Rajputana Stainless Ltd. (RSL) is a manufacturer of long and flat stainless-steel (SS) products comprising of billets, forged ingots, rolled black bar, rolled bright bar, flat & patti, and other ancillary products. The company offers its products under the 'RSL' brand and manufactures products in more than 80 diverse grades of stainless steel. At present, the company operates exclusively on B2B basis, catering to manufacturers and traders in India and export markets of Turkey, UAE, Poland, Portugal, USA, South Africa, South Korea, Czech Republic, and Kuwait.

Key Highlights:

1. Integrated Manufacturing Capabilities: The company primarily operates through its integrated manufacturing facility located in Kalol, Gujarat, that covers the entire production chain ranging from melting & refining to casting/rolling, treatment, testing and storage. The facility is equipped with key infrastructure including an induction furnace, Argon Oxygen Decarburization (AOD), Continuous Casting Machine (CCM), heat treatment facilities, Oxygen & Nitrogen plants, rolling mill and bright bar shop. As of Sep'25, RSL had an installed melting capacity of 48,000 MTPA, rolling capacity of 36,000 MTPA, bright bar capacity of 6,000 MTPA, heat treatment facility of 2,000 MT and Oxygen and Nitrogen plants having installed capacity of 350 cum/hour and 200 cum/hour respectively.

2. Eyeing forward integration through manufacturing of SS Seamless Pipes: The company plans to foray into the manufacturing of stainless-steel seamless pipes by means of utilizing a portion of vacant land within the premises of the existing facility. This foray will mark a case of forward integration for the company along with product diversification. The basic raw material required for manufacturing of stainless-steel seamless pipes is rolled bars, which is being presently manufactured by the company at its existing facility with rolling mill installed capacity of 36,000 MT per annum. The common industrial areas where SS seamless pipes are used include oil & gas industry, chemical and petrochemical industry, power generation, food and beverage industry, automotive industry, construction and architecture. Further this plant, would leverage the company to either opt to sell the intermediate product i.e. mother pipes to various companies engaged in pilgering of mother pipes.

3. Diverse product portfolio: RSL's product portfolio comprises billets, forging ingots, rolled black bar, rolled bright bar, flat & patti, wire rods and other ancillary products. The company offers its products in more than 80 diverse grades of stainless steel. RSL's products are used across a diverse range of industries, including bar processing, seamless pipes, forging, wire manufacturing, engineering, casting, fasteners, utensils manufacturing, pump and shaft and auto industry.

Valuation: RSL markets its products under the 'RSL' brand, producing more than 80 grades of stainless steel. The company operates an integrated production setup, ensuring consistently high-capacity utilization. Both its melting and rolling operations typically run at nearly full capacity, maintaining utilization rates close to 100%. The company's planned forward integration into stainless-steel seamless pipes is expected to enhance product diversification and strengthen long-term growth visibility. Additionally, RSL intends to deploy Rs 98 cr from IPO proceeds towards repayment of borrowings, which will materially reduce its Total Debt/Equity from 0.8x to 0.2x (total debt as of Dec'25 stood at Rs 141.4 cr), thereby improving balance sheet strength and generate savings in finance costs. At the upper price band of Rs 122, the issue is valued at a P/E of 25.6x and EV/EBITDA of 12.6x on a post-issue basis, and given RSL's superior profitability metrics relative to peers, the valuation appears relatively attractive. We recommend investors to SUBSCRIBE to the issue at the cut-off price for a long-term investment horizon.

Issue Details	
Date of Opening	09 th March 2026
Date of Closing	11 th March 2026
Price Band (Rs)	116 – 122
Issue Size (Rs cr)	255.0 @ upper price band
Fresh Issue (Rs cr)	178.7 @ upper price band
Offer for sale (Rs cr)	76.3 @ upper price band
Total issue size	2,09,00,000 shares
Face Value (Rs)	10.0
Post Issue Market Cap (Rs cr)	1,020 @ upper price band
BRLMs	Nirbhay Capital Services Pvt Ltd
Registrar	KFin Technologies Ltd
Bid Lot	110 shares and in multiple thereof
QIB shares	50%
Retail shares	35%
NII shares	15%

Objects of Issue	
Particulars	Estimated utilization (Rs cr)
Funding capex requirements for expansion of the existing manufacturing facility at Panchmahal district, Gujarat through forward integration and diversification into Stainless Steel Seamless Pipes	18.6
Full or part repayment and/or prepayment of certain outstanding borrowings availed by the company	98.0
General corporate purposes*	-
Gross proceeds from the issue	178.7

*The amount to be utilized for general corporate purposes alone shall not exceed 25% of the Gross Proceeds in accordance with the regulation 7(2) of the SEBI ICDR regulations

Shareholding Pattern		
Pre-Issue	No. of Shares	%
Promoter & Promoter Group	5,39,05,040	78.2
Public & Others	1,50,12,618	21.8
Total	6,89,17,658	100.0

Post Issue @ Upper Price Band		
Post Issue @ Upper Price Band	No. of Shares	%
Promoter & Promoter Group	4,76,55,040	57.0
Public & Others	3,59,12,618	43.0
Total	8,35,67,658	100.0

Selling shareholder via OFS		
Selling shareholder via OFS	Classification	No. of shares
Shankarlal Deepchand Mehta	Promoter	62,50,000
Total	-	62,50,000

Source: RHP, SBICAP Securities Research

Key Financials & KPIs

Particulars (Rs cr)	FY23	FY24	FY25	1HFY26
Revenue from operations	947.7	909.8	932.2	501.5
EBITDA	43.8	59.4	73.8	45.9
PAT	24.0	31.6	39.9	24.4
EBITDA Margin (%)	4.6	6.5	7.9	9.2
PAT Margin (%)	2.5	3.5	4.3	4.9
RoE (%)	29.6	28.2	26.2	-
RoCE (%)	24.8	29.6	28.0	-
P/E (x)*	35.0	26.6	21.1	-
No. of manufacturers and traders associated with				
Manufacturers	201	253	225	220
Traders	162	132	145	46
Total	363	385	370	266

*Pre-issue P/E based on upper price band
Source: RHP, SBICAP Securities Research

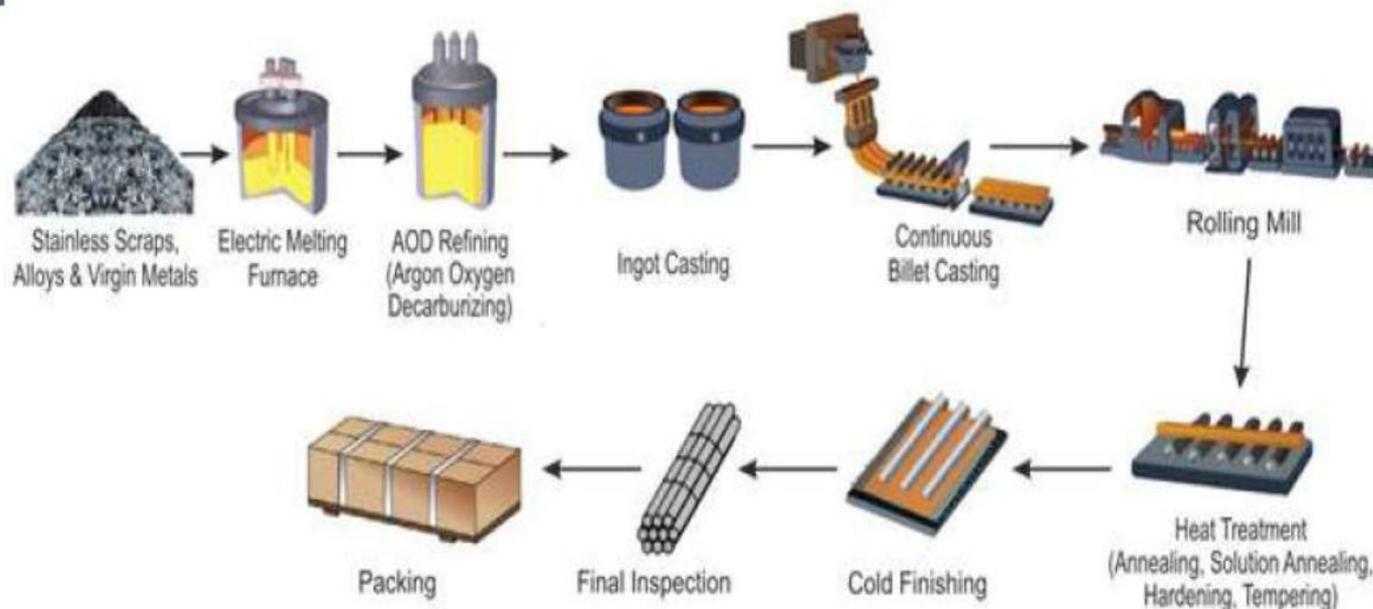
Risk Factors

- A. Legal risk:** The company and its Promoters/KMPs are parties to legal proceedings with litigations aggregating to an amount of Rs 128.6 cr (~72.8% of net worth). These legal proceedings are pending at different stages before various courts, tribunals and forums. In the event of adverse rulings in these proceedings or levy of penalties / fines, the company may need to make payments or make provisions for future payments. Furthermore, adverse publicity and negative perceptions associated with criminal litigation can affect reputation, leading to potential loss of customer trust and business opportunities.
- B. Customer concentration:** As of 1HFY26/FY25, the company's top 10 clients contributed 44.9%/41.7% to the total revenue respectively. The company does not maintain any long-term contracts with these customers and thus, if such customers choose not to source their requirements from RSL, it may impact the company's business and financial performance.
- C. Supplier risk:** The principal raw materials for the company's products include stainless steel scrap, mild steel scrap, oxygen, nitrogen, argon, ferro alloys, etc. The absence of long-term contracts with all suppliers exposes the company to price volatility. Further, the company procures raw materials from both, the domestic market and international market, depending upon the price and availability of raw materials. As of 1HFY26/FY25, the share of imported goods in the total purchases stood at 39.0%/31.1% respectively. Additionally, as of 1HFY26/FY25, the company's top 10 suppliers constituted 40.1%/32.2% of the total material consumed costs respectively.

Growth Strategies

- Setting up of Stainless-Steel Seamless Pipes unit.
- Strengthening foothold in existing markets and expanding customer base.
- Focus on rationalizing indebtedness.

Production Process Flow



Source: RHP, SBICAP Securities Research

Revenue Split – Export vs Domestic

Particulars	FY23		FY24		FY25		1HFY26	
	Rs cr	% of TR						
Domestic Revenue	947.7	100.0%	904.9	99.5%	916.9	98.4%	501.3	99.9%
Export Revenue	-	0.0%	4.9	0.5%	15.3	1.6%	0.3	0.1%
Total Revenue (TR)	947.7	100.0%	909.8	100.0%	932.2	100.0%	501.5	100.0%

Source: RHP, SBICAP Securities Research

Revenue Split - Industry

Industry	FY23		FY24		FY25		1HFY26	
	Rs cr	% of TR						
Bar processing	361.4	38.1%	295.5	32.5%	311.1	33.4%	149.5	29.8%
Seamless pipes	116.3	12.3%	168.9	18.6%	158.2	17.0%	100.3	20.0%
Forging	99.5	10.5%	84.2	9.3%	92.5	9.9%	49.0	9.8%
Wire manufacturing	62.6	6.6%	82.0	9.0%	56.0	6.0%	22.4	4.5%
Utensil manufacturing	30.1	3.2%	16.6	1.8%	35.1	3.8%	16.7	3.3%
Casting	37.7	4.0%	33.1	3.6%	37.5	4.0%	24.0	4.8%
Engineering	37.2	3.9%	36.0	4.0%	37.8	4.1%	25.0	5.0%
Fasteners	10.4	1.1%	23.1	2.5%	16.5	1.8%	7.5	1.5%
Pump shaft	12.5	1.3%	13.4	1.5%	17.4	1.9%	9.6	1.9%
Auto industry	17.8	1.9%	4.9	0.5%	10.7	1.2%	9.0	1.8%
Others*	162.2	17.1%	152.4	16.7%	159.3	17.1%	88.6	17.7%
Total Revenue (TR)	947.7	100.0%	909.8	100.0%	932.2	100.0%	501.5	100.0%

*Includes Aerospace and Defence Industry, Re-rolling Industry, Furniture Industry, Fittings Industry, Metal Injection Molding Industry, Oil and Gas Industry and Heavy Electricals Industry

Source: RHP, SBICAP Securities Research

Product wise Capacity & Utilization

Particulars	Installed Capacity	Capacity Utilization		
		FY23	FY24	FY25
Melting	48,000 MT	100.0%	100.0%	99.9%
Rolling	36,000 MT	93.0%	98.1%	100.0%
Bright Bar	6,000 MT	54.3%	51.8%	32.5%
Heat Treatment	2,000 MT	100.0%	100.0%	100.0%
Oxygen plant	350 CuM/h	100.0%	100.0%	100.0%
Nitrogen Plant	200 CuM/h	100.0%	100.0%	100.0%

Source: RHP, SBICAP Securities Research

Revenue Split – Products

Products	FY23		FY24		FY25		1HFY26	
	Rs cr	% of TR						
Billets	163.3	17.2%	131.5	14.5%	146.9	15.8%	85.6	17.1%
Forging Ingots	30.8	3.2%	18.8	2.1%	21.2	2.3%	9.4	1.9%
Rolled Black Bar	507.0	53.5%	503.6	55.4%	550.5	59.1%	288.7	57.6%
Rolled Bright Bar	90.0	9.5%	109.4	12.0%	124.8	13.4%	77.3	15.4%
Flat & Patti	45.9	4.8%	29.5	3.2%	41.5	4.5%	22.4	4.5%
Wire Rods	71.7	7.6%	91.1	10.0%	7.9	0.9%	-	-
Other Products (RCS, angle, mill scale)	7.3	0.8%	2.9	0.3%	7.7	0.8%	4.7	0.9%
Other Operating Revenues	31.6	3.3%	23.0	2.5%	31.6	3.4%	13.4	2.7%
Total Revenue (TR)	947.7	100.0%	909.8	100.0%	932.2	100.0%	501.5	100.0%

Wire rods are exclusively manufactured on a job work basis by a third-party manufacturer.

Source: RHP, SBICAP Securities Research

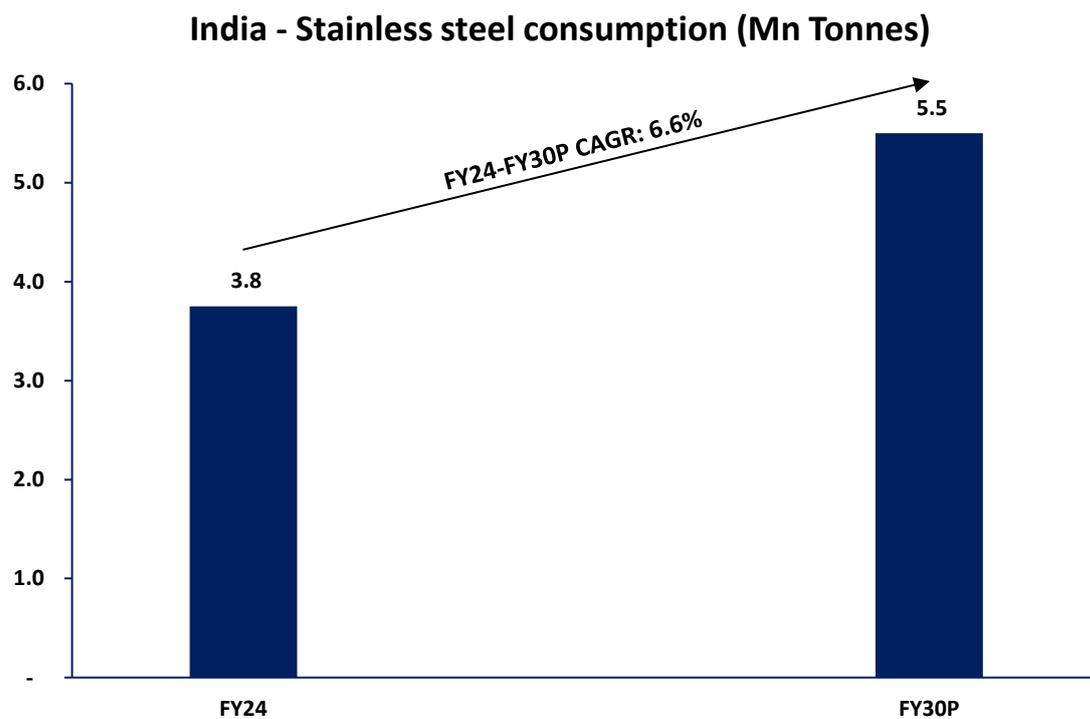
Average Product Realizations (Rs per kg)

Products	FY23	FY24	FY25	1HFY26
Billets	192	168	168	160
Forging Ingots	242	222	251	224
Rolled Black Bar	190	188	185	185
Rolled Bright Bar	254	234	236	236
Flat & Patti	137	130	110	100
Wire Rods	247	248	195	-

Wire rods are exclusively manufactured on a job work basis by a third-party manufacturer.

Source: RHP, SBICAP Securities Research

Industry Overview



Source: RHP, SBICAP Securities Research

Financial Snapshot

INCOME STATEMENT				
Particulars (Rs cr)	FY23	FY24	FY25	1HFY26
Revenue from Operations	948	910	932	502
YoY growth (%)	-	-4.0%	2.5%	-
COGS (incl Stock Adj)	779	720	735	393
Gross Profit	169	190	197	108
Gross margin (%)	17.8%	20.8%	21.2%	21.6%
Employee Cost	18	21	23	11
Other Operating Expenses	107	109	100	51
EBITDA	44	59	74	46
EBITDA margins (%)	4.6%	6.5%	7.9%	9.2%
Other Income	3	6	5	1
Interest Exp.	11	14	16	10
Depreciation	7	8	9	5
PBT	29	42	55	32
Tax	5	11	15	8
PAT	24	32	40	24
PAT margin (%)	2.5%	3.5%	4.3%	4.9%
EPS (Rs)	3.5	4.6	5.8	3.5

BALANCE SHEET				
Particulars (Rs cr)	FY23	FY24	FY25	1HFY26
Assets				
Net Block	53	70	68	67
Capital WIP	15	0	2	0
Right of use assets	-	-	2	2
Intangible Assets	0	0	0	0
Other Non current Assets	6	1	1	2
Current Assets				
Inventories	88	104	133	177
Current Investment	1	0	3	4
Trade receivables	107	89	150	155
Cash and Bank Balances	7	9	11	9
Other Current Assets	20	49	51	33
Total Current Assets	223	252	347	378
Current Liabilities & Provisions				
Trade payables	98	103	132	159
Other current liabilities	9	7	9	5
Short-term provisions	10	12	16	11
Total Current Liabilities	116	122	157	175
Net Current Assets	107	130	191	204
Total Assets	181	202	264	274
Liabilities				
Share Capital	34	34	69	69
Reserves and Surplus	47	78	83	108
Total Shareholders Funds	81	112	152	177
Total Debt	80	80	100	86
Long Term Provisions	2	3	3	3
Lease Liabilities	-	-	2	2
Other Long Term Liabilities	11	0	0	0
Net Deferred Tax Liability	7	7	7	7
Total Liabilities	181	202	264	274

Cash Flow Statement (Rs cr)	FY23	FY24	FY25	1HFY26
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)
Free Cash Flow	6	21	(1)	22

RATIOS			
Particulars	FY23	FY24	FY25
Profitability			
Return on Capital Employed	24.8%	29.6%	28.0%
Return on Equity	29.6%	28.2%	26.2%
Margin Analysis			
Gross Margin	17.8%	20.8%	21.2%
EBITDA Margin	4.6%	6.5%	7.9%
Net Profit Margin	2.5%	3.5%	4.3%
Short-Term Liquidity			
Current Ratio (x)	1.3	1.4	1.5
Quick Ratio (x)	0.8	0.8	0.9
Receivable Days	41	36	59
Inventory Days	34	42	52
Payable Days	38	41	52
Fixed asset turnover (x)	18.0	12.9	13.8
Debt-service coverage (x)	0.4	0.6	0.6
Long-Term Solvency			
Total Debt / Equity (x)	1.0	0.7	0.7
Interest Coverage Ratio (x)	3.5	3.9	4.5
Valuation Ratios*			
EV/EBITDA (x)	20.8	15.3	12.6
P/E (x)	35.0	26.6	21.1
P/B (x)	10.4	7.5	5.5
EV/Sales (x)	1.0	1.0	1.0
Market Cap/Sales (x)	0.9	0.9	0.9

**Valuation ratios are based on pre-issue capital at the upper price band*

Source: RHP, SBICAP Securities Research

Peer Comparison – FY25

Particulars (Rs cr)	Rajputana Stainless	Mukand	Mangalam Worldwide	Electrotherm	Panchmahal Steel
CMP (Rs)	122	125	258	654	320
Sales	932	4,890	1,060	4,115	383
EBITDA	74	285	55	372	16
Net Profit	40	73	28	322	3
Mkt Cap.	1,020	1,804	766	833	611
Enterprise Value	929	3,337	951	2,044	660
EBITDA Margin (%)	7.9	5.8	5.2	9.0	4.2
Net Profit Margin (%)	4.3	1.5	2.6	7.8	0.9
P/E (x)	25.6	24.7	27.7	2.6	183.5
EV/EBITDA (x)	12.6	11.7	17.3	5.5	41.2
RoE (%)	26.2	7.7	10.8	(202.5)	2.1
RoCE (%)	28.0	9.9	11.9	40.6	6.7
EV/Sales (x)	1.0	0.7	0.9	0.5	1.7

Source: RHP, Exchange Filings, SBICAP Securities Research

For Rajputana Stainless Limited, the Market Cap, P/E(x), EV/EBITDA (x), EV/Sales (x) are calculated on post-issue equity share capital based on the upper price band. CMP for peer companies is live price as of 05th March, 2026.

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