



SMC Ranking

★ ★ ☆ ☆ ☆ (2/5)

Issue Highlights

Industry	Steel
Offer for sale (Shares)	1,234,567
Fresh Issue (Shares)	8,765,432
Net Offer to the Public	9,999,999
Issue Size (Rs. Cr.)	385-405
Price Band (Rs.)	385-405
Offer Date	24-Sep-26
Close Date	28-Sep-26
Face Value	10
Lot Size	37

Issue Composition

	In shares
Total Issue for Sale	9,999,999
QIB	5,000,000
NIB	1,500,000
Retail	3,500,000

Shareholding Pattern (%)

Particulars	Pre-issue	Post-issue
Promoters & promoters group	85.86%	74.52%
QIB	14.14%	19.01%
NIB	0.00%	1.94%
Retail	0.00%	4.53%
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. Pre-payment or partial re-payment of a portion of certain outstanding borrowings availed by the Company
2. General Corporate Purposes

Book Running Lead Manager

- PL Capital Markets Private Limited
- Khambatta Securities Limited

Name of the registrar

- Bigshare Services Private Limited

About the company

A-One Steels is a backward-integrated steel maker in southern India. From a 20,000 MTPA billet mill at Gauribidanur in 2013, it now runs six plants in Karnataka and Andhra Pradesh with 17.33 lakh MTPA of installed steel and industrial capacity. The chain runs from sponge iron through billets into TMT bars, HR and CR coils, and HR, CR and galvanised pipes, plus met coke and ferro alloys. Intermediate output is largely captive. In FY26 the company booked revenue from operations of Rs. 4,148.57 crore and PAT of Rs. 127.41 crore. About 55% of sales still come from Karnataka. The “A-One Gold” brand, GreenPro-certified TMT and HR products, and long-term solar and wind contracts covering most of plant power are the operating signature.

Strengths

Backward-integrated maker with a ten-product book: The six plants are staged so that Koppal makes sponge iron, Gauribidanur and Hindupur make billets and TMT, Bellary I makes sponge, billets, HR coil and HR pipe, Bellary II makes galvanised pipe, and Chikkantapur makes met coke and ferro alloys. Installed capacity rose 15.8% in two years to 17.33 lakh MTPA. In FY26 TMT was 29.0% of revenue from operations, pipes and tubes 21.7% and sponge iron 10.9% — 61.6% from the top three manufactured lines. Captive use of sponge, billets and coils was 82–99%, which cuts third-party feed risk and lets surplus intermediates be sold when the merchant market pays.

Plants sit next to the Bellary–Koppal ore belt: Bellary and Koppal sit inside a 100 km radius of iron ore, fines and pellets. Feed is a mix of domestic linkages, e-auctions and imports of coking coal from Russia, South Africa, Australia and Canada and steam coal from Indonesia and South Africa. Named suppliers include JSW trading entities, Adani, MGK and Gemini. Fifteen- to twenty-five-year solar and wind PPAs lock a slice of power at fixed tariffs. The location plus multi-source buying is the company’s answer to a raw-material bill that still dominates the P&L.

Three sales channels and a sticky finished-goods book: The company sells through direct retail, authorised distributors and institutions. Direct retail outlets rose from 1,041 in FY24 to 1,246 in FY26. For finished TMT and pipes it served 1,335 customers in FY26, of whom 724 (54%) were repeat; those repeat accounts delivered 80% of finished-product revenue. Named project names in the business section include large infrastructure contractors. No single finished-goods buyer dominates, though the state mix is still southern-heavy.

High entry barriers and a cost-efficient input stack: CRISIL lists capital, raw-material access, land and environmental clearances, incumbent scale, technology and distribution as the sector’s gates. A-One already has six operating sites, statutory approvals, GreenPro marks, a dealer net and 1,377

employees plus 1,082 contract workers as of 30 June 2026. Long-term iron-ore allocations, coal linkages and 230 MW of contracted solar and wind sit on top of captive WHRB and thermal generation. That combination is hard for a greenfield induction-furnace stand-alone to copy quickly.

A-One Gold brand and a paid-for consumer franchise: TMT and pipes are sold under A-One Gold. Promotion covers digital, outdoor, dealer boards, events and a film-actor endorsement for TMT and allied products on a pan-India basis. Brand spend was Rs. 7.40 crore in FY26 (0.18% of revenue from operations), down from Rs. 12.25 crore and Rs. 13.03 crore in the two prior years. The company treats the brand as the retail lever that supports pricing in Karnataka, Andhra Pradesh, Tamil Nadu, Maharashtra and Telangana rather than as a national advertising story.

Green power and certified green products: Ten solar and six wind PPAs totalling 230 MW, plus a 14 MW thermal captive and 6 MW WHRB at Bellary I and 12 MW WHRB at Chikkantapur, supplied 83.2% of FY26 plant electricity (88.9% in FY24). Unit-cost savings versus the grid were about Rs. 1.57 in FY26. Fe 500/550 CRS TMT from Gauribidanur and Hindupur and HR coil and HR pipe from Bellary I carry CII GreenPro ecolabels. NISST rated FY26 TMT output of 1.80 lakh tonnes at 0.67 t-CO₂e per tonne and 69.55% “greenness”. CBAM data work is under way at Gauribidanur and Bellary I for EU-bound tonnes.

Promoters who buy stressed plants and run them: First-generation promoters started the steel business in FY09 and the listed vehicle in 2013. Sunil Jallan chairs; Sandeep Kumar is Managing Director and runs production. The playbook is lease or buy distressed capacity and lift utilisation: Koppal in FY17, Bellary I on lease from FY18 and 78.14% of Basai Steels via an NCLT plan in November 2024 (Rs. 92.14 crore invested), Trivista in FY18, Chikkantapur on a nine-year lease from FY22. Met-coke output at Chikkantapur almost doubled in two years. The board averages more than 17 years in pipes and structurals.

Strategy

Widen the product book and the all-India map: The company started as a single-product billet mill and now makes ten steel and industrial products. It wants more specifications aimed at automotive, infrastructure, engineering and consumer uses, subject to demand, capex, feed and approvals. Sales remain 54.9% Karnataka, with Andhra Pradesh, Tamil Nadu, Maharashtra and Telangana the next four; “Others” are only 16.2%. The plan is to deepen the five home states through distributors, retail and institutions, then add states where freight, credit and product fit work. Expansion is described as calibrated, not a sudden national roll-out.

Add capacity on brownfield land, not only greenfield: Two-year additions of 2.36 lakh MTPA came from Bellary billets and pipes, Hindupur billets and TMT, Chikkantapur met coke and Bellary II GP pipe. Next at Koppal: a 6.0 lakh MTPA iron-ore beneficiation plant (half in FY27, half in FY28), a 10 MW WHRB (6 MW already running), and a railway siding targeted for June 2027. Pelletisation, alloy billets and crash barriers are on the evaluation list, with 98.61 acres vacant at Koppal. Environmental clearance for the Koppal package was received on 26 September 2025. These projects are funded from accruals and debt, not from the IPO.

Sell more SKUs to existing customers and open export doors: Repeat TMT and pipe customers were 724 of 1,335 finished-goods accounts in FY26. Management wants a higher wallet share by putting coils, pipes and industrial products through the same relationships, plus new domestic names and selected export markets once specifications, freight and CBAM paperwork clear. Process automation and tighter backward integration are the internal tools named for quality and lead time. International expansion is framed as case-by-case, not a volume target in the RHP.

Keep buying stressed steel assets: Past deals (Basai / Bellary I, Vanya / Koppal, Trivista, Chikkantapur) are the template: under-used kilns and mills, then maintenance, power and working capital. A-One Gold Pipes took transfer rights in a 79.64-acre manganese-ore lease (deemed to 2035) on 25 June 2025 to feed ferro alloys; mining has not started and approvals are pending. Further stressed-plant buys are an explicit strategy, with the usual NCLT, hidden-liability and integration risks flagged in the risk factors.

Repay Rs. 250 crore of borrowings from the Fresh Issue: Net proceeds will first prepay or repay Rs. 250 crore of identified working-capital facilities in FY27. Standalone debt was Rs. 864.41 crore as on 15 July 2026; consolidated net debt was Rs. 985.37 crore on 31 March 2026. Debt/equity has already fallen from 2.34x in FY24 to 1.17x in FY26 after a Rs. 246.58 crore equity raise in FY25. The IPO repayment is meant to cut finance cost (Rs. 109.19 crore in FY26) and free headroom for Koppal. Residual Net Proceeds go to general corporate purposes, capped at 25% of Gross Proceeds.

Keep spending on the brand: The company will stay on electronic, outdoor, digital and print, plus fabricator visits, dealer meets and trade fairs. The actor endorsement and A-One Gold identity are the consumer face of a business that is still more regional mill than national brand. Marketing outlay can rise again if the pan-India push needs it; FY26 spend was deliberately lighter than FY24–FY25.

Key Risk Factors

- Proposed Koppal beneficiation, WHRB, railway siding and any pellet, alloy-billet or crash-barrier plant need large further capex, timely clearances and execution; delays or cost overruns would hit returns on capital already sunk.
- The book is working-capital heavy — inventories plus receivables were Rs. 1,563.79 crore against current borrowings of Rs. 674.88 crore at 31 March 2026 — so rate moves and lender renewals matter even after a Rs. 250 crore IPO repayment.
- Karnataka still supplied 54.86% of FY26 revenue from operations; a local demand or freight shock would show up quickly in reported sales.

Peer comparison

Company	Total Sales	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
Shyam Metalics	19584.31	1123.16	40.24	27.14	2.65	412.84	10	1092.25	30488.18
Jai Balaji Inds.	6109.69	144.63	3.21	19.79	2.61	24.36	2	63.54	5796.69
MSP Steel & Pow.	2958.62	37.91	2.46	13.49	1.83	18.18	10	33.19	1881.20
A-One Steels India Limited	4167.33	127.41	16.50	24.55	2.57	157.76	10	405.00	3127.84

*Peer companies financials are TTM based

***A-One Steels India Limited financials are based on FY26

Valuation

Considering the P/E valuation, on the upper end of the price band of Rs. 405, the stock is priced at pre-issue P/E of 21.76 on FY2026 EPS of Rs. 18.61. Post issue, the stock is priced at a P/E of 24.55x on its EPS of Rs. 16.50. Looking at the P/B ratio at Rs. 405, pre-issue book value of Rs. 126.10 of a P/BV of 3.21x. Post issue, book value of Rs. 157.76 of a P/BV of 2.57x.

Considering the P/E valuation, on the lower end of the price band of Rs. 385, the stock is priced at pre-issue P/E of 20.69x on FY2026 EPS of Rs. 18.61. Post issue, the stock is priced at a P/E of 23.34x on its EPS of Rs. 16.50. Looking at the P/B ratio at Rs. 385, pre-issue book value of Rs. 126.10 of a P/BV of 3.05x. Post issue, book value of Rs. 157.76 of a P/BV of 2.44x.

Industry Overview

India is the world's second-largest crude-steel producer. JPC provisional data put FY26 crude output at about 169.2 million tonnes, up 11.2% and a 10.4% CAGR from FY21. CRISIL expects domestic steel demand to grow 6–8% in 2026, against a sluggish global market, on construction, infrastructure and capital goods. Per-capita use was 109 kg in 2025 versus an NSP 2017 goal of 160 kg by 2030-31. That policy still targets 300 MTPA of crude capacity and 255 MT of production by FY31, with finished-steel demand around 230 MT and an investment bill near Rs. 10 lakh crore. Scrap imports eased to 8.4 MT in FY26 as sponge iron stayed competitive. Safeguard duty and capacity ramps supported FY26 output. For a southern long-and-flat mill, the setup is a growing home market with cyclical prices, imported coking coal and a long policy push toward value-added and lower-carbon tonnes.

Outlook

A-One Gold is well positioned to benefit from India's long-term infrastructure and construction demand, supported by backward integration, multiple steel products and established regional distribution. Rising capacity, green-power usage and brownfield expansion at Koppal should improve operating efficiency and product availability. The proposed Rs 250 crore debt repayment can reduce finance costs and strengthen the balance sheet. However, high working-capital needs, regional concentration and execution risks on expansion projects remain key concerns.

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

EVENT	INDICATIVE DATE (On or about)
IPO Open Date	Thu, Sep 24, 2026
IPO Close Date	Mon, Sep 28, 2026
Tentative Allotment	Tue, Sep 29, 2026
Initiation of Refunds	Wed, Sep 30, 2026
Credit of Shares to Demat	Wed, Sep 30, 2026
Tentative Listing Date	Thu, Oct 1, 2026

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 31-Mar-26 (12 Months)	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)
Revenue from operations	4,167.33	3,544.37	3,835.93
Total expenditure	3,863.69	3,370.32	3,663.74
Operating Profit	303.64	174.06	172.19
OPM%	7.29	4.91	4.49
Other Income	34.73	25.26	26.51
Total Net Income	338.36	199.31	198.70
Interest	109.19	113.15	97.30
PBDT	229.17	86.16	101.40
Depreciation	62.68	55.87	43.22
Profit before exceptional items and tax	166.50	30.29	58.18
Exceptional items	0.53	(4.44)	0
PBT	167.02	25.85	58.18
Tax	39.62	18.14	19.27
PAT	127.41	7.71	38.91

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 31-Mar-26	As on 31-Mar-25	As on 31-Mar-24
Non-current assets			
Property, plant and equipment	633.45	569.26	440.36
Capital work-in-progress	65.11	122.27	87.38
Right-of-use assets	34.49	40.49	98.88
Goodwill	12.20	12.20	0.00
Other intangible assets	0.05	0.11	0.40
Investments	79.31	77.98	61.76
Other financial assets (non-current)	88.82	51.23	80.49
Deferred tax assets (net)	1.17	0.00	0.00
Non-current tax assets (net)	0.84	0.84	1.64
Other non-current assets	49.98	49.36	19.29
Total non-current assets	965.40	923.72	790.19
Current assets			
Financial Assets			
Inventories	899.33	797.89	561.45
Trade receivables	664.46	437.57	484.08
Cash and cash equivalents	25.57	11.71	49.74
Bank balances other than cash	74.63	90.93	77.00
Loans (current)	1.84	1.40	0.93
Other financial assets (current)	18.80	19.12	7.62
Current tax asset (net)	3.37	3.61	4.22
Other current assets	537.91	467.11	420.64
Total current assets	2225.91	1829.34	1605.68
Total Assets	3191.31	2753.06	2395.87
LIABILITIES			
Non-current liabilities			
Borrowings (non-current)	336.06	282.99	250.94
Lease liabilities (non-current)	38.91	43.93	111.04
Trade payables (non-current, non-MSME)	61.38	56.38	0.00
Other financial liabilities (non-current)	1.21	20.60	22.74
Provisions (non-current)	7.12	6.28	4.01
Deferred tax liabilities (net)	11.20	7.45	8.26
Other non-current liabilities	118.43	92.56	52.52
Total non-current liabilities	574.31	510.19	449.52
Current liabilities			
Financial liabilities			
Borrowings (current)	674.88	680.68	791.58
Lease liabilities (current)	2.51	2.44	1.98
Trade payables – MSME	8.49	5.06	6.04
Trade payables – others	895.61	703.89	545.90
Other financial liabilities (current)	42.23	17.87	9.53
Other current liabilities	102.28	98.70	141.90
Provisions (current)	0.17	0.15	0.11
Current tax liabilities (net)	27.46	15.82	4.38
Total current liabilities	1753.63	1524.61	1501.43
Total liabilities	2327.95	2034.80	1950.96
Net worth represented by:			
Equity share capital	68.47	68.47	16.74
Other equity	770.94	626.76	423.43
Non-controlling interests	23.96	23.04	4.74
Total Equity	863.36	718.26	444.91

RANKING METHODOLOGY

WEAK	★
NEUTRAL	★ ★
FAIR	★ ★ ★
GOOD	★ ★ ★ ★
EXCELLENT	★ ★ ★ ★ ★

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