



SMC Ranking

★★☆☆☆ (2/5)

### Issue Highlights

| Industry                | Industrial Gases |
|-------------------------|------------------|
| Offer for sale (Shares) | 7,530,864        |
| Fresh Issue (Shares)    | 43,580,246       |
| Net Offer to the Public | 51,111,110       |
| Issue Size (Rs. Cr.)    | 393-414          |
| Price Band (Rs.)        | 77-81            |
| Offer Date              | 9-Sep-26         |
| Close Date              | 11-Sep-26        |
| Face Value              | 2                |
| Lot Size                | 185              |

### Issue Composition

|                      | In shares  |
|----------------------|------------|
| Total Issue for Sale | 51,111,110 |
| QIB                  | 25,555,555 |
| NIB                  | 7,666,667  |
| Retail               | 17,888,889 |

### About the company

Steamhouse India Limited generates and pipes industrial steam and nitrogen to factories in Gujarat instead of each plant running its own boiler. The promoters introduced India's community-boiler model in 2014. Seven boilers (six owned, one leased) give 345 TPH of steam capacity, or about 21.86 lakh tonnes a year at 330-day / 80% efficiency assumption, plus a 350 NM<sup>3</sup>/hour nitrogen plant at Ankleshwar that started on 1 February 2025. A 60 km pipeline grid feeds pharmaceuticals, chemicals, textiles, agrochemicals and other users. The company also buys third-party steam and trades surplus coal. In FY26 it served 202 customers and booked revenue of Rs. 491.51 crore (up 24% from Rs. 395.11 crore) and profit of Rs. 38.64 crore. Steam generation was 52% of sales, purchased steam 18% and coal trading 27%. Repeat customers supplied 91% of revenue.

### Strengths

**Leading market position with an energy-efficient offer:** Steamhouse sits in a niche that Frost & Sullivan calls community industrial-gas supply: Steamhouse's model is built around one central plant and a dedicated pipeline network, replacing the need for customers to operate multiple small captive boilers. India's process-steam demand stood at around 2,03,472 TPH in FY26 and is projected to grow at 9.4% annually to 3,18,853 TPH by FY31, creating a sizeable addressable market. The shift toward shared steam generation is driven by the high capex, maintenance costs and increasingly stringent emission-control requirements associated with captive boilers. Steamhouse has already established a presence across key industries, with chemicals contributing 26% of FY26 revenue, textiles 22% and pharmaceuticals 18%. It also has a differentiated position in nitrogen supply, being the only Indian company identified by F&S as supplying nitrogen through a distributed pipeline network, rather than relying on cryogenic tankers or on-site generators.

**High barriers to entry:** Steamhouse benefits from significant entry barriers created by its established pipeline network. Once a pipeline right-of-way is laid across a GIDC industrial estate, there is limited physical space for a competing network, while customers that have already provided a landing point are unlikely to accommodate a second pipeline. Steamhouse and its promoters pioneered this model in 2014 and now operate 60,151 metres of pipeline, supported by SCADA, flow meters and drone-based leak surveys. A new entrant would need access to adjacent land, reliable fuel logistics and years of operating data on pressure and temperature losses. These factors provide strong protection to established routes, although the same infrastructure constraints can also limit Steamhouse's ability to rapidly penetrate mature industrial estates.

### Shareholding Pattern (%)

| Particulars                 | Pre-issue      | Post-issue     |
|-----------------------------|----------------|----------------|
| Promoters & promoters group | 95.79%         | 77.96%         |
| QIB                         | 4.21%          | 12.80%         |
| NIB                         | 0.00%          | 2.77%          |
| Retail                      | 0.00%          | 6.47%          |
| <b>Total</b>                | <b>100.00%</b> | <b>100.00%</b> |

\*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. Repayment or prepayment of all or a portion of certain outstanding borrowings availed by Company
2. Funding capital expenditure requirements for augmenting infrastructure development of the Company towards capacity expansion of the Ankleshwar Facility (Phase 3)
3. Funding capital expenditure requirements for augmenting infrastructure development of the Company towards capacity expansion of the Panoli Facility (Phase 2)
4. Funding capital expenditure in relation to the setting up of a manufacturing facility for generation of steam at Dahej SEZ
5. General Corporate Purposes

### Book Running Lead Manager

- EQUIRUS CAPITAL LIMITED

### Name of the registrar

- KFin Technologies Limited

**Strategically located plants:** The seven boilers sit in Ankleshwar, Nandesari, Panoli, Sarigam and Vapi, 45–50 km from ports that land imported coal and next to dense chemical and textile parks. Short haul keeps freight in the coal bill down; short pipes keep heat loss down. Installed steam capacity was 345 TPH on 31 July 2026. Purchase-and-distribute contracts already cover Dahej GIDC Phase 1 and Sachin, with five-year offtake deals signed in April 2026 for Dahej SEZ and Haldia. The Ankleshwar nitrogen unit (350 NM<sup>3</sup>/hour) sits on the same campus as two 60 TPH boilers.

**Marquee customers and high repeat rates:** Customer count increased from 125 in FY24 to 202 in FY26, reflecting a broadening customer base. Key customers include Aether Industries, Anupam Rasayan and Globe Enviro Care, while repeat customers contributed a strong 90.72% of FY26 revenue, highlighting high retention. Contracts typically span two to seven years, with a fixed component linked to inflation and a variable component linked to coal prices. Steamhouse also offers customers greater operating flexibility, as they can shut the valve at their premises without requiring the company to bank its boiler—an advantage over captive plants. Customer concentration has improved, with the top-10 share declining from 60% of revenue in FY24 to 48% in FY26. However, concentration remains a consideration, as the largest customer, group company Sanjoo Dyeing, accounts for 18% of revenue.

**Track record of cleaner operations:** AFBC boilers, lime dosing on coal and waste-to-energy firing at Vapi cut SO<sub>x</sub>, NO<sub>x</sub> and suspended dust versus a scatter of small captive units. The company burns plastic waste, textile chindi and RDF at Vapi WTE and has signed a 25-year wheeling deal for a 3.04 MW solar plant to serve Ankleshwar. Nitrogen by pipe avoids trucking flammable cryogenic cylinders. Nandesari already co-generates power; more turbines are planned. Planned Nandesari Phase 2, Vapi Phase 3 and Pirana boilers are designed around non-fossil fuel.

**Experienced promoter and operating team:** Chairman and Managing Director Vishal Sanwarprasad Budhia has three decades in textiles and eleven years in community boilers, plus roles in CETPs and industrial water systems in Surat's processing belt. Executive Directors Yadav Lalankumar Dayanand and Ramprakash B. Sharma and CFO Vaibhav Gattani cover projects, operations and credit. Chief Project Officer Suchi Goenka has been with the company from the start.

## Strategy

**Expand capacity in and outside Gujarat:** Management is building or planning eight more boilers totalling 360 TPH — Nandesari-2, Jhagadia, Vapi-3, Ankleshwar-3, Pirana, Panoli-2, Tarapur and Dahej GIDC-2 — which would lift steam capacity from 345 TPH to 705 TPH (about 44.7 lakh TPA). Three of those units will run on waste and agro-fuel. IPO money funds Ankleshwar-3, Panoli-2 and Dahej-2. In parallel, Steamhouse is signing purchase-and-distribute deals (Kilburn Chemicals, Dahej SEZ, Haldia, Sanjoo Dyeing at Sachin) so it can grow pipeline volumes without putting a new boiler on every site. Tarapur is the first Maharashtra foothold.

**Diversify the product set:** Steam remains the core, but FY26 already includes purchased steam (Rs. 87.00 crore) and a first nitrogen pipeline (Rs. 0.58 crore). The

stated next steps are more hybrid offtake, operating and maintaining high-pressure customer boilers, more non-fossil firing, and later hydrogen, instrument air and CO<sub>2</sub> on the same pipes. The aim is to sell a wider utility bundle to the same industrial parks.

**Cut operating cost:** Bulk coal buying, recycling bed material back into the boiler and variable-frequency drives on fans and pumps are already in use. Drones map leaks; turbines cut grid power. These steps matter because EBITDA margin has slipped from 23.45% in FY24 to 16.99% in FY26 as coal trading and purchased-steam mix rose.

**Repair the debt profile:** Gross borrowings were Rs. 281.62 crore on 31 March 2026 (net debt/equity 1.57x). Rs. 180 crore of the fresh issue is earmarked to prepay loans in FY27. Lower interest should free internal accruals for the next plants and pull the balance sheet closer to the net-cash / low-leverage profile of listed gas peers.

**Shrink the carbon footprint:** Vapi WTE already burns local plastic, textile and RDF waste. Nandesari-2, Vapi-3 and Pirana will follow that path. Waste-gas and textile-waste firing, plus the 3.04 MW Ankleshwar solar wheel, are meant to cut coal intensity and, over time, qualify the company for India's emerging carbon-credit market.

### Key Risk Factors

- Plants and pipes only work next to industrial clusters, so growth depends on finding land and rights-of-way; a delay at Tarapur already forced a Rs. 1.48 crore MIDC premium.
- The top ten customers still gave 47.87% of FY26 revenue and the largest (group company Sanjoo Dyeing) 18.36%; several contracts expire in FY27 or run only on purchase orders.
- Coal was 77.29% of FY26 purchases and is mostly imported Indonesian cargo bought from Indian traders, so price spikes, freight or trade restrictions hit cash even when the variable tariff is passed through.
- Related-party deals with group companies were Rs. 362.46 crore in FY26 — 73.74% of revenue — so earnings quality is tightly tied to Sanjoo Dyeing and sister firms.
- Gross debt of Rs. 281.62 crore and past GPCB timing lapses (boilers started on provisional consent) leave little room if a covenant, approval or the delayed Pirana AMC project turns adverse.

### Peer Comparison

| Company                           | Total Sales | PAT    | EPS   | P/E   | P/BV  | BV    | FV | Price  | Mcap     |
|-----------------------------------|-------------|--------|-------|-------|-------|-------|----|--------|----------|
| Linde India Limited               | 2653.91     | 546.37 | 64.07 | 99.12 | 12.69 | 500.3 | 10 | 6350.9 | 54160.48 |
| Ellenbarrie Gases Industrial Ltd. | 356.67      | 120.65 | 8.56  | 38.79 | 4.9   | 67.69 | 2  | 332    | 4679.06  |
| Steamhouse India Ltd.             | 491.51      | 38.64  | 1.40  | 57.94 | 4.26  | 19.02 | 2  | 81.00  | 2238.89  |

\*Peer companies financials are TTM based

\*\*\*Steamhouse India Ltd. financials are based on FY26

### Valuation:

Considering the P/E valuation, on the upper end of the price band of Rs. 81, the stock is priced at pre issue P/E of 48.81x on FY2026 EPS of Rs. 1.66. Post issue, the stock is priced at a P/E of 57.94x on its EPS of Rs. 1.40. Looking at the P/B ratio at Rs. 81 pre issue, book value of Rs. 7.42 of P/BV x 10.92x. Post issue, book value of Rs. 19.02 of P/BV x 4.26x.

Considering the P/E valuation, on the lower end of the price band of Rs. 77, the stock is priced at pre issue P/E of 46.40x on FY 2026 EPS of Rs. 1.66. Post issue, the stock is priced at a P/E of 55.08x on its EPS of Rs. 1.40. Looking at the P/B ratio at Rs. 77 pre issue, book value of Rs. 7.42 of P/BV x 10.38x. Post issue, book value of Rs. 19.02 of P/BV x 4.05x.

### Industry Overview

India's process-steam demand is estimated at 2,03,472 TPH in FY26 and is expected to reach 3,18,853 TPH by FY31, a 9.4% CAGR, on the back of chemicals, pharmaceuticals, textiles, food and new industrial parks. Community boilers today are a sliver of that market; Frost & Sullivan's conservative case is that they could take about 3% of process-steam demand in five years, which implies a near-tenfold jump in installed community-boiler capacity and a 55–60% capacity CAGR. Drivers are emission norms, the cost of running small captive boilers, CPCB pressure to shut dirty units, and Gujarat-style GIDC clusters that make a shared pipe practical. Opportunities include large new parks, waste-to-steam, nitrogen and other gases on the same grid, and possible carbon credits. Challenges are fuel-price swings, ageing-plant maintenance, tighter environmental licences, scarce corridor space for new pipes, and the fact that most listed "peers" (Linde, Ellenbarrie) sell packaged industrial gases, not steam utilities.

### Outlook

Supported by strong demand for community steam, established pipeline infrastructure and high customer retention, the company is expected to see good growth going forward. Planned capacity expansion from 345 TPH to 705 TPH, geographic diversification and purchase-and-distribute contracts provide multiple growth avenues. Rising non-fossil fuel usage and utility diversification could strengthen its sustainability proposition. However, elevated leverage, margin pressure and customer concentration remain key risks, making debt reduction and execution critical for sustained growth.

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

| EVENT                     | INDICATIVE DATE<br>(On or about) |
|---------------------------|----------------------------------|
| IPO Open Date             | Wed, Sep 9, 2026                 |
| IPO Close Date            | Fri, Sep 11, 2026                |
| Tentative Allotment       | Tue, Sep 15, 2026                |
| Initiation of Refunds     | Wed, Sep 16, 2026                |
| Credit of Shares to Demat | Wed, Sep 16, 2026                |
| Tentative Listing Date    | Thu, Sep 17, 2026                |

## Annexure

### Consolidated Financials

#### Profit & Loss

Rs. in Cr.

| Particulars              | Period ended<br>31-Mar-26 (12 Months) | Period ended<br>31-Mar-25 (12 Months) | Period ended<br>31-Mar-24 (12 Months) |
|--------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Revenue from operations  | 491.51                                | 395.11                                | 291.71                                |
| Total expenditure        | 408.02                                | 325.79                                | 223.30                                |
| <b>Operating Profit</b>  | <b>83.49</b>                          | <b>69.32</b>                          | <b>68.41</b>                          |
| OPM%                     | 16.99                                 | 17.54                                 | 23.45                                 |
| Other Income             | 3.46                                  | 3.42                                  | 1.45                                  |
| <b>Total Net Income</b>  | <b>86.95</b>                          | <b>72.74</b>                          | <b>69.85</b>                          |
| Interest                 | 21.73                                 | 22.18                                 | 18.68                                 |
| <b>PBDT</b>              | <b>65.22</b>                          | <b>50.56</b>                          | <b>51.17</b>                          |
| Depreciation             | 13.99                                 | 11.59                                 | 7.87                                  |
| <b>PBT</b>               | <b>51.24</b>                          | <b>38.97</b>                          | <b>43.30</b>                          |
| Tax                      | 12.60                                 | 7.80                                  | 16.12                                 |
| <b>Profit &amp; Loss</b> | <b>38.64</b>                          | <b>31.16</b>                          | <b>27.19</b>                          |

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 |
|--------------------------------------|-----------------|-----------------|-----------------|
| <b>Non-current assets</b>            |                 |                 |                 |
| Property, plant and equipment        | 284.70          | 213.72          | 171.53          |
| Right-of-use assets                  | 78.70           | 73.35           | 37.08           |
| Capital work-in-progress             | 157.94          | 115.50          | 64.42           |
| Intangible assets                    | 0.54            | 0.58            | 0.53            |
| Intangible assets under development  | 6.58            | 0.00            | 0.00            |
| Investments                          | 0.00            | 0.00            | 0.01            |
| Other financial assets               | 11.26           | 11.79           | 6.14            |
| Other non-current assets             | 17.60           | 13.70           | 23.10           |
| <b>Total non-current assets</b>      | <b>557.32</b>   | <b>428.64</b>   | <b>302.80</b>   |
| <b>Current assets</b>                |                 |                 |                 |
| <b>Financial Assets</b>              |                 |                 |                 |
| Inventories                          | 41.28           | 46.10           | 46.23           |
| Trade receivables                    | 39.28           | 30.25           | 23.02           |
| Cash and cash equivalents            | 0.18            | 2.18            | 1.26            |
| Other bank balances                  | 10.33           | 5.50            | 18.49           |
| Loans                                | 0.01            | 0.20            | 0.00            |
| Other financial assets               | 9.18            | 1.73            | 1.70            |
| Other current assets                 | 21.86           | 29.07           | 28.81           |
| <b>Total current assets</b>          | <b>122.13</b>   | <b>115.03</b>   | <b>119.51</b>   |
| <b>Total Assets</b>                  | <b>679.45</b>   | <b>543.67</b>   | <b>422.31</b>   |
| <b>LIABILITIES</b>                   |                 |                 |                 |
| <b>Non-current liabilities</b>       |                 |                 |                 |
| ROU liability                        | 0.00            | 0.01            | 0.08            |
| Borrowings (non-current)             | 99.13           | 98.89           | 98.03           |
| Lease liability (non-current)        | 43.46           | 40.82           | 22.11           |
| Other financial liabilities          | 10.59           | 7.91            | 7.92            |
| Deferred tax liabilities (net)       | 16.92           | 13.44           | 12.07           |
| <b>Total non-current liabilities</b> | <b>170.08</b>   | <b>161.06</b>   | <b>140.20</b>   |
| <b>Current liabilities</b>           |                 |                 |                 |
| <b>Financial liabilities</b>         |                 |                 |                 |
| Borrowings (current)                 | 182.50          | 124.06          | 104.67          |
| Lease liability (current)            | 10.25           | 7.72            | 4.92            |
| Trade payables – MSME                | 1.59            | 2.94            | 1.55            |
| Trade payables – others              | 91.65           | 75.10           | 34.93           |
| Other financial liabilities          | 5.45            | 3.41            | 8.10            |
| Provisions                           | 2.13            | 1.63            | 1.39            |
| Other current liabilities            | 35.76           | 29.29           | 14.16           |
| Current tax liabilities (net)        | 7.28            | 6.02            | 8.84            |
| <b>Total current liabilities</b>     | <b>336.60</b>   | <b>250.17</b>   | <b>178.56</b>   |
| <b>Total liabilities</b>             | <b>506.68</b>   | <b>411.22</b>   | <b>318.76</b>   |
| Net worth represented by:            |                 |                 |                 |
| Equity share capital                 | 45.20           | 45.20           | 45.20           |
| Other equity                         | 127.57          | 87.25           | 58.35           |
| <b>Total Equity</b>                  | <b>172.77</b>   | <b>132.44</b>   | <b>103.54</b>   |

## RANKING METHODOLOGY

|           |           |
|-----------|-----------|
| WEAK      | ★         |
| NEUTRAL   | ★ ★       |
| FAIR      | ★ ★ ★     |
| GOOD      | ★ ★ ★ ★   |
| EXCELLENT | ★ ★ ★ ★ ★ |

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