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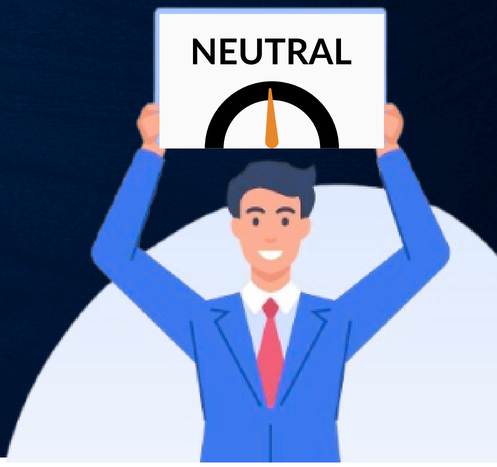

GERMAN TMT

IPO NOTE

GERMAN GREEN STEEL & POWER LIMITED

Rating:

NEUTRAL

German Green Steel and Power Limited is an iron and steel manufacturer primarily operating in the western region of India, with a strong presence in Gujarat and a focus on TMX Bars.

OBJECTS OF THE ISSUE

- Capex funding for the Samakhiyali manufacturing facility and hybrid wind-solar power plant.
- Repayment/prepayment of outstanding borrowings.
- General Corporate Purposes

ISSUE OFFER

Issue Opens on	SEP 25, 2026
Issue Close on	SEP 29, 2026
Total IPO size (cr)	₹304 CR
Fresh issue (cr)	₹290 CR
Offer For Sale (cr)	₹14 CR
Price Band (INR)	₹132-139
Market Lot	107 SHARES
Face Value (INR)	₹10
Listing At	BSE, NSE
Market Cap (Pre IPO)	₹1,047.35 CR

FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (IN CRORE)	FY 2026	FY 2025	FY 2024
Equity Share Capital	54.48	52.64	8.45
Net Worth	421.55	292.55	176.06
Revenue from operations	**1678.98**	**1507.57**	**1129.78**
EBITDA Margin%	9.94%	7.75%	7.02%
Net Profit/Loss of the year	**79.88**	**59.94**	**41.66**

MINIMUM INVESTMENT DETAILS

Number of Shares	2,18,63,309
Minimum Investment Amount	₹14,873
Small-HNI (Min)/ 1498 Shares	₹2,08,222
Big-HNI (Min)/ 7276 Shares	₹10,11,364

FINANCIAL RATIOS OF FY26

ROE	ROCE	P/E (Pre IPO)
18.86%	19.31%	9.48x

INDICATIVE TIMETABLE

Basis of Allotment	30-09-2026
Refunds/Unblocking ASBA Fund	01-10-2026
Credit of Share to Demat A/c	01-10-2026
Listing Date	05-10-2026

ISSUE BREAK-UP (%)

QIB Portion	50%
Retail Portion	35%
NII Portion	15%

OUTLOOK & VALUATION

- Vertically integrated Gujarat-based TMT bar manufacturer with green-steel certification and a growing value-added product mix.
- Priced at 8.85x–9.32x FY26 diluted EPS, a sharp discount to the industry average of ~35x — among the cheapest in the peer set.
- PAT margins are improving (3.7%→4.8%) but RoNW has declined for three straight years (23.7%→18.9%) as the equity base has grown faster than profit.
- High customer concentration (top 10 = 50.6% of revenue) and steel-sector cyclicality expose earnings to demand/pricing swings.
- Attractive valuation is positive, but RoNW moderation and customer concentration warrant caution. Conservative investors may wait for 1–2 quarters of post-listing performance.

COMPANY PROFILE

- German Green Steel and Power is a vertically integrated iron and steel manufacturer primarily operating in the western region of India.
- The company focuses on manufacturing thermo-mechanically treated bars, mild steel billets, and sponge iron.
- It serves a diversified client base comprising distributors, dealers, and direct institutional customers across sectors like real estate, roadways, and thermal plants.
- The company operates two manufacturing facilities located in Samakhiyali and Viramgam in Gujarat.
- A notable feature of its operations is the integration of captive coal-based power plants, waste heat recovery systems, and hybrid wind and solar power setups, which provide cost-effective energy for its intensive manufacturing requirements.
- The company generates revenue predominantly from domestic sales within Gujarat, complemented by minor international exports, positioning itself as a key supplier in the regional steel supply chain.

COMPETITIVE STRATEGIES

- Continued focus on cost optimization and improving operational efficiency
- Strengthen institutional customer base and expand distribution network into adjoining states
- Foray into contract manufacturing
- Continue to expand production capacity and improve presence into various value added products
- Continue emphasis on brand building

KEY CONCERNS

- High dependence on the top 10 customers for a majority of revenue.
- Vulnerability to raw material price volatility and supply disruptions.
- Operations are highly concentrated geographically within Gujarat.
- Expansion plans face risks of delays, cost overruns, and missing approvals.
- High indebtedness with stringent covenants could restrict operations.

KEY STRENGTHS

- Vertically integrated iron and steel manufacturer in Gujarat.
- Captive and hybrid wind-solar plants reduce operational energy costs.
- Diversified network of distributors, dealers, and institutional clients.
- Strong capacity expansion strategy for TMT bars and value-added products.
- ISO-certified manufacturing facilities ensuring stringent product quality.

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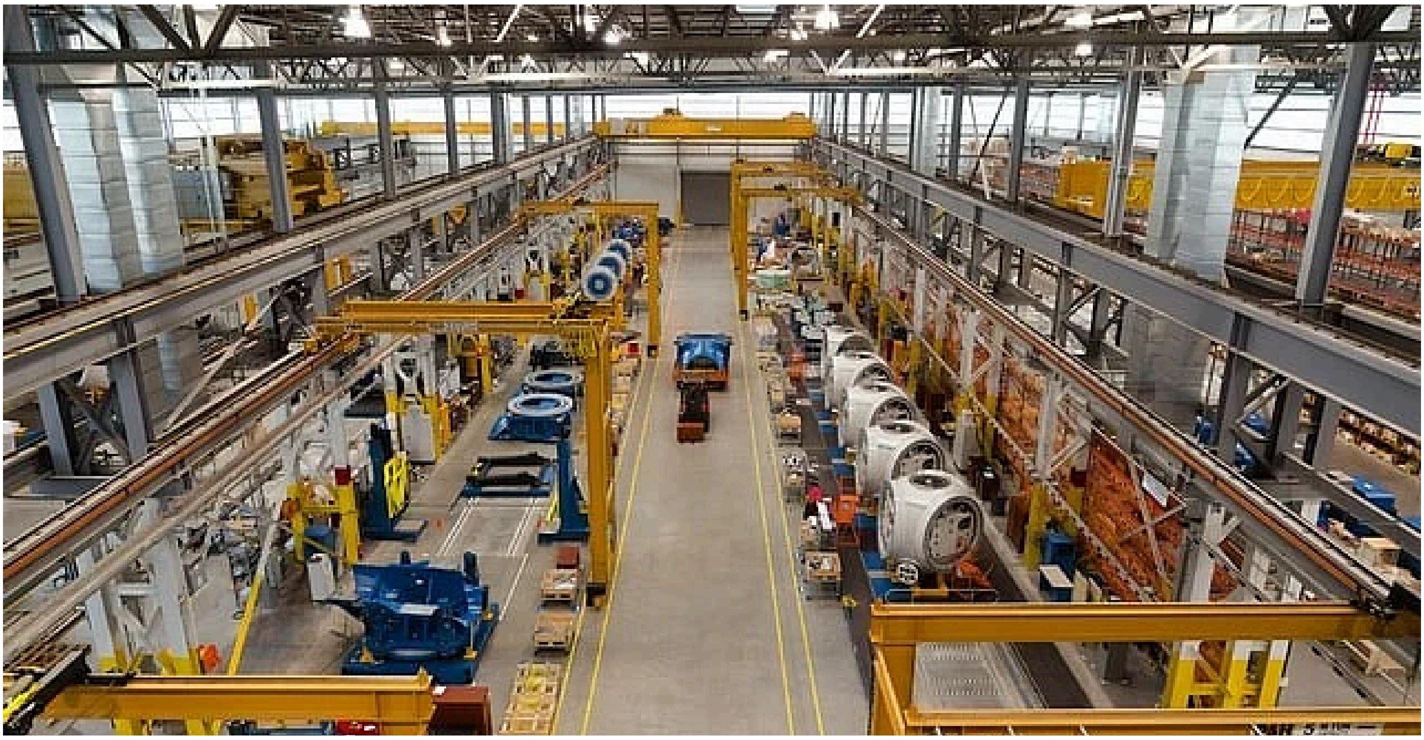
COMPARISON WITH LISTED INDUSTRY PEERS

Name of the Company	EPS (₹ Basic)	P/E	NAV	Revenue (cr.)	RoNW%
German Green Steel and Power Limited	**14.91**	**9.48**	**77.76**	1798.94	**18.86**
Peer Group					
Beekay Steel Industries Ltd	18.94	22.54	548.18	6009.06	3.49
Gallant Ispat Limited	20.07	27.80	137.44	16676.20	14.60
Kamdhenu Limited	2.78	14.57	14.06	5131.43	19.77
MSP Steel & Power Limited	0.60	61.57	18.18	1123.94	3.28
VMS TMT Limited	4.95	8.92	45.97	2634.50	9.22



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CDSL/NSDL: IN-DP-115-2015 RBI Reg. No.: B-03-00174 IRDA Reg. No.: 713.