



SUBSCRIBE

0

IPO Report

24th Sept 26

Snapshot

Company is a backward/vertically integrated steel manufacturer based in southern India, with a diversified product portfolio comprising long and flat steel products, as well as industrial products used in steel manufacturing. As on date of this Red Herring Prospectus, company's manufactured product portfolio consists of 10 steel products and industrial products. As per *CRISIL Report*, an integrated steel manufacturing setup allows a company to operate across the value chain, from raw material processing to steelmaking and downstream products. Company commenced its operations in 2013 with the manufacturing of MS billets at its Gauribidanur Facility, which had an installed capacity of approximately 20,000 MTPA. Company's integrated manufacturing process extends from the manufacturing of direct reduced iron, commonly known as sponge iron, to the manufacturing of MS billets and their further conversion into finished steel products including, TMT bars, HR coils, CR coils, HR (MS) pipes, CR pipes and galvanized tubes and pipes.

VALUATION

Company is bringing the issue at price band of Rs 385-405 per share at p/e multiple of 22x on post issue FY26 basis. Company is Well-positioned in an industry characterized by high entry barriers, with access to cost-efficient manufacturing inputs. Also, company's brand presence supported by product quality, diversified offerings and targeted marketing initiatives with Use of green energy for the manufacture of steel products and certified green product portfolio. Also, company has experienced promoters supported by a strong management and execution team. Hence, we recommend "Subscribe" to issue.

STRENGTHS

Backward integrated steel products manufacturer in southern India with a diversified product portfolio.

Business operations capitalizing on the strategic location advantage.

Diversified sales channels and customer base.

OBJECTS OF ISSUE

The Offer comprises a Fresh Issue of Equity Shares of face value of ₹ 10 each, aggregating up to ₹ 35,500.00 Lakhs by Company and an Offer for Sale of Equity Shares of face value of ₹ 10 each, aggregating up to ₹ 5,000.00 Lakhs by the Promoter Selling Shareholders.

Fresh issue

Company proposes to utilize the net proceeds, towards funding the following objects:

Pre-payment or partial re-payment of a portion of certain outstanding borrowings availed by Company.

Price Band (Rs./Share)	385-405
Opening date of the issue	24th Sept '2026
Closing Date of the issue	28th Sept '2026
No of shares pre issue	6,84,65,270 Eq Shares
Issue Size	Rs 405 Cr
Fresh Issue	Rs 355 Cr
Offer For Sale	Rs 50 Cr
Face Value (Rs/ share)	Rs 10/share
Bid Lot	37
Employee Discount	Rs 38/share

BIDDING DETAILS

QIBs (Including Anchor)	50% of the offer
Non-Institutional	15% of the offer
Retail	35% of the offer
Lead managers	PL Capital Markets Private Limited, Khambatta Securities Limited
Registrar to the issue	Bigshare Services private Limited

Financial Statements

Rs Lakhs

	FY24	FY25	FY26
Total Revenue	383593.13	354437.28	416732.58
Total Expenditure	366374.33	337031.74	386368.95
EBIDTA	17218.80	17405.54	30363.63
EBIDTA Margin	4.49	4.91	7.29
Other Income	2650.73	2525.61	3472.86
Depreciation	4321.76	5586.89	6267.53
EBIT	15547.77	14344.26	27568.96
Interest	9729.84	11315.43	10919.18
PBT	5817.93	3028.83	16649.78
Share of profit in Asso	0.00	0.00	0.00
PBIT	5817.93	3028.83	16649.78
Exceptional	0.00	443.69	-52.68
PBT	5817.93	2585.14	16702.46
Tax	1926.56	1814.09	3961.65
PAT	3891.37	771.05	12740.81
NPM	1.01	0.22	3.06
ROE%	9.12	1.25	15.43
EPS	6.56	1.28	18.47
Eq Cap	1,673.72	6,846.53	6,846.53
Net Worth	44,491.21	71,826.04	86,336.34



DISCLAIMER

HEM Securities Limited ("Research Entity or HSL") is regulated by the Securities and Exchange Board of India ("SEBI") and is licensed to carry on the business of broking, depository services, merchant banking services, Portfolio Management Services and other related activities. Broking services offered by HEM Securities Limited are under SEBI Registration No.: INZ000168034.

This Report has been prepared by HEM Securities Limited in the capacity of a Research Analyst having SEBI Registration No. INH100002250 and distributed as per SEBI (Research Analysts) Regulations 2014. This report does not constitute an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. The information contained herein is from publicly available data or other sources believed to be reliable. This report is provided for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this report should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult his own advisors to determine the merits and risks of such investment. This should not be construed as invitation or solicitation to do business with HSL. The investment discussed or views expressed may not be suitable for all investors.

This information is strictly confidential and is being furnished to you solely for your information. This information should not be reproduced or redistributed or passed on directly or indirectly in any form to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject HSL and associates / group companies to any registration or licensing requirements within such jurisdiction. The distribution of this report in certain jurisdictions may be restricted by law, and persons in whose possession this report comes, should observe, any such restrictions. The information given in this report is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. HSL reserves the right to make modifications and alterations to this statement as may be required from time to time. HSL or any of its associates / group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. HSL is committed to providing independent and transparent recommendation to its clients. Neither HSL nor any of its associates, group companies, directors, employees, agents or representatives shall be liable for any damages whether direct, indirect, special or consequential including loss of revenue or lost profits that may arise from or in connection with the use of the information. Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein. Past performance is not necessarily a guide to future performance. The disclosures of interest statements incorporated in this report are provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report.

We offer our research services to clients as well as our prospects. Though this report is disseminated to all the customers simultaneously, not all customers may receive this report at the same time. We will not treat recipients as customers by virtue of their receiving this report.

HSL and its associates, officer, directors, and employees, research analyst (including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company(ies), mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company/company(ies) discussed herein or act as advisor or lender/borrower to such company(ies) or have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of research report or at the time of public appearance.

Investments in securities market are subject to market risks, read all the related documents carefully before investing.



Hem Securities
Building your wealth through values

**BROKING | INVESTMENT BANKING | RESEARCH |
DISTRIBUTION | DEPOSITORY | PMS**

A-ONE STEEL LTD