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BOMBAY COATED & SPECIAL STEELS LTD

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IPO Report

30th Oct 26

Snapshot

Company is a steel processing centre engaged in the business of converting steel coils into value-added processed steel products. Company's core competencies include precision slitting, cut-to-length processing, shearing, and embossing of steel coils into slit coils, embossed slit coils, blanks, embossed blanks and sheared blanks (collectively referred to as "Processed Steel Products"). Company cater to a diversified customer base comprising Original Equipment Manufacturers (OEMs) and Original Design Manufacturers (ODMs).

VALUATION

Company is bringing the issue at price band of Rs 78-82 per share at p/b multiple of 8.5x on post issue annualized Q1FY27 basis. Company has established relationship with JSWSCPL Steel for supply of Steel Coils & has long-standing relationships with customers, including OEMs and ODMs. Company is strategically located manufacturing network & integrated and advanced Steel Processing Infrastructure Also. Company has high entry barriers driven by authorised supplier arrangements, Capital Intensity and Customer Approvals
.Hence, we recommend "Subscribe" to issue.

Price Band (Rs./Share)	**78-82**
Opening date of the issue	**29th Oct '2026**
Closing Date of the issue	**02nd Nov '2026**
No of shares pre issue	4,05,00,091 Eq Shares
Issue Size	Rs 183 Cr
Fresh issue	Rs 183 Cr
Face Value (Rs/ share)	Rs 10/share
Bid Lot	182
BIDDING DETAILS	
QIBs (Including Anchor)	50% of the offer
Non-Institutional	15% of the offer
Retail	35% of the offer
Lead managers	Smart Horizon Capital Advisors Private Limited
Registrar to the issue	Kfin Technologies Limited

WHAT WE LIKE

Established relationship with JSWSCPL Steel for supply of Steel Coils.

Company has been an authorised service partner of JSW Steel Coated Products Limited and/or its holding Company (**"JSWSCPL"**) since 2021. Pursuant to this arrangement, JSWSCPL supplies steel coils, including galvanised plain, colour-coated and galvalume coils, which are used as raw material in company's manufacturing operations. These steel coils are processed at company's facilities through slitting, cut-to-length, shearing and embossing operations using precision machinery and technology. Such processing activities constitute a core component of company's business operations.

Long-standing relationships with customers, including OEMs and ODMs.

Company have established long-standing relationships with a diverse set of customers. Company's focus on quality, value proposition, timely delivery of company's products and the price competitiveness of company's offerings has enabled company to maintain long-term relationships with its customers. Company's customer base includes several OEMs and ODMs in India, such as Haier Appliances India Private Limited, IFB Refrigeration Limited, Dixon Electro Manufacturing Private Limited, Amber Enterprises India Limited, Western Refrigeration Private Limited, PG Technoplast Private Limited, EPack Durable Limited, Kruger Ventilation Industries (India) Private Limited, Elegant Coatings Private Limited and Magnum MI Steel Private Limited.

Strategically Located Manufacturing Network Enabling Just-in-Time Supply and Cost-Efficient Operations

Company operate as a multi-location steel processing centre with manufacturing facilities located at Wada, Bhiwandi, Ghiloth and Sri City Facility in India. Company's manufacturing facilities are strategically located in proximity to major OEM and ODM manufacturing hubs across Western, Northern and Southern India, including in close proximity to the manufacturing locations of certain key customers such as Western Refrigeration Private Limited, Amber Enterprises India Limited, PG Technoplast Private Limited, EPack Durable Limited and Kruger Ventilation Industries (India) Private Limited, among others.

COMPANY BACKGROUND

Company, being a Steel Processing Centre ("**SPC**"), operate as an intermediary between primary steel producers and end-users by providing value-added processing services. For the home and commercial appliances sector, company process coated steel coils and hot-rolled steel coils into Processed Steel Products used in the manufacture of various appliances. For the general engineering s ector, company undertake specialized processing of non-coated and galvanised plain coils into blanks, used in automotive manufacturing, pharmaceutical cleanroom infrastructure, electrical equipment, and ventilation systems. In addition to manufacturing Processed Steel Products, company also perform logistics and inventory management functions. By maintaining adequate inventory levels and offering just-in-time delivery solutions, company ensure timely and efficient supply of processed steel products to customers across urban as well as remote locations, thereby enhancing supply chain efficiency and cost optimization. *(Source: CareEdge Report)*
One of the Promoters of its Company, Mr. Vijaykumar Himatrai Gupta, commenced operations in 1983 as a steel trader under the sole proprietorship M/s. Bombay Steels. In 2012, the business expanded into steel processing with the establishment of the Bhiwandi facility, followed by the execution of a service partnership agreement with JSW Steel Coated Products Limited (**"JSWSCPL"**) in 2018. Subsequently, on January 29, 2021, Company entered into a Business Transfer Agreement to acquire the running business of M/s. Bombay Steels on a going-concern basis. This acquisition consolidated over four decades of trading and processing experience into the operations of Company. Thereafter, Company has entered into a phase of rapid expansion and added steel processing facilities across key manufacturing regions of India. Company expanded company's operations by establishing new manufacturing facilities in the West, North and South of India. Company's steel processing facilities are strategically located across key industrial regions in India, enabling company to serve a wide spectrum of industries with efficiency and just in time deliveries.

Company operate with an aggregate installed processing capacity of 1,23,153 MTPA, computed on a quarterly basis for Fiscal 2027, across slitting, cut-to-length, shearing and embossing operations, as of June 30, 2026. Company's installed capacity has increased at a compound annual growth rate ("CAGR") of approximately 23.83% between Fiscal 2024 and Fiscal 2026, reflecting company's continued focus on capacity expansion and operational scalability.

OBJECTS OF OFFER

Company proposes to utilise the net proceeds of the Issue, i.e. gross proceeds of the Issue less the Issue expenses apportioned to Company ("Net Proceeds") towards funding the following objects:

1. Repayment/pre-payment, in full or in part, of certain borrowings availed by Company;
2. Financing the cost towards acquisition of capital equipment under existing lease arrangements with Siemens Financial Services Private Limited; and
3. General corporate purposes.

RISKS

Company is substantially dependent on a single supplier, JSW Steel Coated Products Limited and/or its holding Company ("JSWSCPL"), for the supply of steel coils, which constitute a key raw material for company's operations. For the three months period ended June 30, 2026, and for the Fiscal 2026, Fiscal 2025 and Fiscal 2024, company sourced approximately 85.13%, 86.65%, 90.61% and 84.58%, respectively, of its total steel coil requirements from JSWSCPL. This high level of supplier concentration exposes company to significant risks, and any disruption in the supply of steel coils from JSWSCPL could materially and adversely affect company's business, results of operations and financial condition.

Source:RHP

Consolidated Financials

(Rs in Mn)

Financials	FY24	FY25	FY26	Q1FY27
Total Revenue (A)	7552.59	10557.07	12668.18	3970.80
Total Expenditure (B)	7060.94	9816.16	11807.3	3649.06
EBIDTA	491.65	740.91	860.90	321.74
EBIDTA Margin	6.51	7.02	6.80	8.10
Other Income	101.53	29.38	30.07	4.66
Depreciation	51.49	86.29	126.01	33.69
EBIT	541.69	684.00	764.96	292.71
Interest	259.63	312.35	357.08	86.25
PBT	282.06	371.65	407.88	206.46
Share of profit in Asso	0.00	0.00	0.00	0.00
PBIT	282.06	371.65	407.88	206.46
Exceptional	0.00	0.00	0.00	0.00
PBT	282.06	371.65	407.88	206.46
Tax	70.68	84.93	102.49	55.71
PAT	211.38	286.72	305.39	150.75
NPM	2.80	2.72	2.41	3.80
ROE%	38.84	34.54	25.12	11.03
EPS	5.34	7.24	7.64	3.72
Eq Cap	99.00	99.00	405.00	405.00
Net Worth	543.59	830.47	1,215.81	1,366.15

(Source: RHP)

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