



Retail Research	: IPO Note
Sector	: Steel
Price Band (INR)	: ₹116 to ₹122 per share
Issue Type	: Bookbuilding IPO

About The Company

Ye company stainless steel ke long aur flat products banati hai apne brand name “RSL” ke under. Ye scrap aur ferro alloys jaise raw material kharidti hai, unko melt karti hai, refine karti hai aur phir alag-alag shapes me convert karke dusri industries ko supply karti hai. Inke products me billets, forging ingots, rolled black bars, rolled bright bars, flat patti, wire rods aur kuch ancillary products shamil hain. Company 80+ grades me stainless steel banati hai, matlab alag-alag industries ki requirement ke hisaab se customized quality aur specification provide karti hai. Ye pura kaam ek structured manufacturing process ke through hota hai jisme melting se lekar final finishing tak sab kuch in-house hota hai.

Business model completely B2B (Business to Business) hai. Matlab ye company direct aam logon ko product nahi bechti, balki manufacturers aur traders ko supply karti hai. Inke products ka use seamless pipe manufacturing, forging industry, wire manufacturing, fasteners, engineering components, automobile parts, utensil industry, pump aur shaft manufacturing jaise sectors me hota hai. Iska matlab ye ek raw material supplier hai jo dusri factories ko input provide karta hai, aur un factories ke final products market me jate hain. Is type ka business relationship-based hota hai, jahan quality consistency aur timely delivery bahut important hoti hai.

Geographically dekhen to company ki majority sales India me hoti hai, especially Maharashtra, Gujarat aur Uttar Pradesh jaise states se revenue ka major hissa aata hai. Export presence bhi hai Turkey, UAE, Poland, Portugal, USA, South Africa, Czech Republic aur Kuwait jaise deshon me supply karti hai lekin export contribution abhi lagbhag 1% ke aas-paas hi hai. Iska matlab domestic dependency zyada hai, jo ek taraf stability deta hai lekin doosri taraf regional concentration risk bhi create karta hai.

Manufacturing facility Gujarat ke Panchmahal district me Halol-Kalol Road par located hai, jahan highway connectivity strong hai, jo logistics ke liye beneficial hai. Plant ka size lagbhag 35,196 square meter hai aur installed capacity kaafi significant hai melting capacity 48,000 MTPA, rolling capacity 36,000 MTPA, bright bar capacity 6,000 MTPA aur heat treatment capacity 2,000 MT. Company ke paas induction furnace, AOD (Argon Oxygen Decarburization), continuous casting machine, rolling mill, bright bar shop, oxygen plant aur nitrogen plant sab kuch in-house hai. Ye vertically integrated setup cost control, quality consistency aur margin stability me help karta hai.

Agar manufacturing process ko simple steps me samjhein to sabse pehle scrap induction furnace me melt hota hai. Uske baad AOD process me carbon remove karke steel ko refine kiya jata hai. Phir continuous casting machine se billets bante hain, jinhe rolling mill me bars me convert kiya jata hai. Heat treatment se mechanical properties improve hoti hain, aur bright bar shop me cold drawing, polishing aur finishing hoti hai. Is tarah raw scrap se lekar final finished bar tak pura value chain company ke control me hota hai.

Issue Details	
IPO Open Date	09-Mar-26
IPO Close Date	11-Mar-26
Price Band (Rs)	₹116 to ₹122
Lot Size	110 Shares
Issue Size (Rs Cr)	2,09,00,000 shares
Face Value	₹10 per share
Sales Type	Fresh Capital & OFS
Issue Type	Bookbuilding IPO
Listing At	BSE, NSE
Share Holding Pre Issue	6,89,17,658 shares
Share Holding Post Issue	8,35,67,658 shares
QIB	50.00%
Retail Share	35.00%
NII Share	15.00%
Promoter Holding Pre Issue	78.22%
Promoter Holding Post Issue	57.01%

Shareholding Pattern (%)	
Shankarlal Deepchand Mehta	54.77
Babulal D Mehta	8.94
Jayesh Natvarlal Pithva	7.21



RAJPUTANA STAINLESS

About The Company

Company ki strengths me sabse pehle integrated manufacturing aata hai. Dusra, 80+ grades ka wide product portfolio jo customization allow karta hai. Teesra, strong customer retention lagbhag 385 customers hain, jisme se 150 customers 3 saal se zyada se jude hue hain aur repeat customers se hi lagbhag 66% revenue aata hai. Ye relationship-based business model ko strong banata hai. Company ka track record bhi interesting hai 1991 me incorporate hui thi, 1999 me sick unit declare hui thi, lekin management ne turnaround kiya. 2006 me revenue sirf ₹36 crore tha jo 2024 tak badhkar ₹909 crore ho gaya, jo around 19.65% CAGR dikhata hai, aur PAT CAGR lagbhag 23% raha. Ye ek successful turnaround story ko indicate karta hai.

Future strategy me company forward integration plan kar rahi hai stainless steel seamless pipes plant lagane ka plan hai. Ye logical step lagta hai kyunki raw material already khud produce karte hain, to value addition badhega, margins improve honge aur naya customer segment milega. India me stainless steel consumption steadily grow ho raha hai, infrastructure, construction, auto sector, Make in India initiative aur China+1 strategy jaise factors demand ko support kar rahe hain. Long term industry tailwinds positive hain.

Lekin risks bhi ignore nahi karne chahiye. Revenue concentration sirf 3 states me hona risk hai, export contribution low hai, steel industry cyclical aur price volatile hoti hai, aur expansion execution risk bhi hota hai especially jab naya product segment me entry ho rahi ho. Debt position dekhen to lagbhag ₹155 crore ka outstanding loan hai. IPO proceeds ka ek hissa debt repayment me use hoga, jisse finance cost kam hogi aur net profit improve ho sakta hai.

Overall dekha jaye to ye ek integrated stainless steel B2B manufacturing company hai jisme strong turnaround history, stable customer base aur forward integration ka growth plan hai, lekin saath hi cyclical industry aur concentration risks ko samajhna bhi zaroori hai especially agar aap isse investment perspective se dekh rahe hain.

RISK

Business & Operational Risks

- Company ka revenue top 10 customers par heavily dependent hai; long-term contracts nahi hone ki wajah se order loss ya payment delay se revenue aur cash flow impact ho sakta hai.
- Company aur promoters kuch legal proceedings me involved hain; negative judgement se penalty, reputation damage aur operations impact ho sakte hain.
- Manufacturing facility Gujarat me concentrated hai; natural disaster, policy change ya regional slowdown se poora business impact ho sakta hai.
- Raw material ke liye top suppliers par dependency hai; shortage, price spike ya delay se production ruk sakta hai.
- Sales ka major hissa Maharashtra, Gujarat aur UP se aata hai; regional slowdown se revenue gir sakta hai.
- Stainless steel demand cyclical hai; construction, auto ya infra slowdown se sales directly impact hoti hai.
- New product launch ya seamless pipe expansion execution par depend karega; failure se growth slow ho sakti hai.
- Company ka past me financial stress aur restructuring history rahi hai; banking trust perception impact ho sakta hai.
- Proposed plant ke liye equipment order pending hai; delay ya cost overrun expansion ko late kar sakta hai.
- Steel business high volume – low margin nature ka hai; thodi si sales decline bhi profit sharply reduce kar sakti hai.
- New plant construction delay, approval issue ya budget exceed hone ka risk hai.
- Contingent liabilities future me actual payment me convert ho sakti hain, jo financial stress create kar sakti hain.
- Existing plant shutdown (fire, breakdown, accident, power failure) se production aur revenue ruk sakta hai.
- Traders par dependency payment delay aur cash flow disturbance create kar sakti hai.
- Operating cash flow past me negative raha hai; working capital stress ka signal ho sakta hai.
- Skilled labour retention failure se production efficiency aur quality impact ho sakti hai.
- Capacity underutilization se fixed cost burden badhkar profitability reduce ho sakti hai.
- Receivable delay ya default se borrowing aur working capital pressure badh sakta hai.
- Related party transactions me unfair pricing ka risk minority shareholders ko impact kar sakta hai.
- Steel manufacturing hazardous industry hai; accident ya environmental issue se penalty aur shutdown ho sakta hai.

Compliance & Governance Risks

- Past compliance lapses ya procedural irregularities future me regulatory penalty ka risk create kar sakti hain.
- Growth execution planning failure se expansion reverse ho sakta hai.
- Foreign currency fluctuation se export revenue aur import cost impact ho sakti hai.
- Quality defect ya chemical mismatch se order cancellation aur legal claim lag sakta hai.
- Statutory dues delay hone par interest penalty aur government action ho sakta hai.
- Third-party job work dependency quality aur delivery risk create karti hai.
- Independent director disqualification governance concern raise karta hai.
- Steel industry me intense competition aur China imports margin pressure create karte hain.
- Power, gas aur utilities disruption se plant operations ruk sakte hain.
- Contract labour compliance issue legal liability create kar sakta hai.
- Capital intensive nature galat investment decision ko risky banata hai.
- International expansion regulatory aur trade barrier risk create karta hai.



RAJPUTANA STAINLESS

RISK

IPO expected fund raise na hone par expansion delay ho sakta hai.
Demand forecasting error se inventory loss ya order loss ho sakta hai.
Leased property termination se operations disturb ho sakte hain.
Intellectual property protection weak hone par competitor copying risk hota hai.
Transportation strike ya fuel cost increase supply chain disrupt kar sakte hain.
Inventory price fall se valuation loss ho sakta hai.
Offer for Sale me company ko paisa nahi milega; promoter dilution ho raha hai.

Regulatory & Financial Risks

Pollution clearance ya license renewal failure se plant closure risk hota hai.
Changing tax laws ya export duty se profitability impact ho sakti hai.
Low credit rating se high interest cost aur funding difficulty ho sakti hai.
Technical knowledge leakage se competitive edge khatam ho sakta hai.
Steel price volatility se margins directly impact hote hain.
Restrictive loan covenants breach hone par bank immediate repayment demand kar sakta hai.
Counterfeit product market me aane se brand damage ho sakta hai.
Promoter unsecured loans recall hone par liquidity pressure aa sakta hai.
IT system failure ya cyber attack operations disrupt kar sakte hain.
Promoter personal guarantee withdraw hone par bank loan risk me aa sakta hai.
Inadequate insurance coverage heavy financial loss create kar sakti hai.
Weak internal controls fraud aur accounting error ka risk badhate hain.
D&B report company commissioned hone ki wajah se independent validation limited ho sakti hai.
Directors ka limited listed company experience compliance risk create karta hai.
IPO proceeds utilization par management ka broad discretion hai; inefficient use ka risk hai.
Promoter aur key management dependency se leadership exit risk create hota hai.
Technology upgrade na karne par competitor cost advantage le sakta hai.
Global slowdown, trade barriers aur raw material volatility profitability impact kar sakte hain.
Labour strike production disrupt kar sakta hai.
Promoters ke dusre ventures conflict of interest create kar sakte hain.

Shareholder & Market Risks

IPO proceeds utilization change hone par execution delay ho sakta hai.
Promoters majority control retain karenge; minority shareholder influence limited hoga.
Future fund raising unfavorable terms par dilution create kar sakta hai.
Dividend payment guaranteed nahi hai; cash flow par depend karega.
Promoters aur directors related party interest conflict create kar sakte hain.
Installed capacity assumptions actual production se differ kar sakti hain.
Employee misconduct financial aur reputation damage create kar sakta hai.
Promoters ne shares low price par acquire kiye the; valuation gap concern ho sakta hai.
Recent shares IPO price se lower rate par issue huye the; fairness question raise hota hai.
Future share dilution se share price pressure me aa sakta hai.
Indian law me minority shareholder protection comparatively limited hai.
QIB/NII bid withdrawal restriction liquidity risk create karta hai.
Non-GAAP financial measures comparison ko distort kar sakte hain.
Cheap imports domestic pricing aur margin ko impact kar sakte hain.
Accounting standards difference foreign comparison ko complex bana sakta hai.
Pre-emptive rights strong nahi hain; future dilution risk hai.
Foreign court judgement India me enforce karna difficult ho sakta hai.
Political aur economic instability overall business ko impact kar sakti hai.
Regulatory intervention aur social unrest uncertainty create karte hain.
Natural ya man-made disaster plant operations ko temporarily ya permanently disrupt kar sakte hain.



RAJPUTANA STAINLESS

Particulars	Installed Capacity					Actual Production (In MTPA)					Capacity Utilization# (%)			
	As on December 31, 2024 (For 12 months)	For nine-month period ended December 31, 2024*	As on Fiscal 2024	As on Fiscal 2023	As on Fiscal 2022	For nine-month period ended December 31, 2024	As on Fiscal 2024	As on Fiscal 2023	As on Fiscal 2022	For nine-month period ended December 31, 2024*	As on Fiscal 2024	As on Fiscal 2023	As on Fiscal 2022	
Melting Capacity	48,000 MT	36,000 MT	48,000 MT	48,000 MT	48,000 MT	35,773.65 MT	47,979.05 MT	47,993.43 MT	46,911.62 MT	99.37	99.96	99.99	97.73	
Rolling Capacity	36,000 MT	27,000 MT	36,000 MT	36,000 MT	36,000 MT	26,698.63 MT	35,327.16 MT	33,469.97 MT	35,923.38 MT	99.95	98.13	92.97	99.79	
Bright Bar	6,000 MT	4,500 MT	6,000 MT	6,000 MT	6,000 MT	1,340.26 MT	3,110.25 MT	3,254.87 MT	4,267.24 MT	29.78	51.84	54.25	71.12	
Heat Treatment Facility	2,000 MT	1,500 MT	2,000 MT	2,000 MT	2,000 MT	1,500 MT	2,000 MT	2,000 MT	2,000 MT	100	100	100	100	
Oxygen plant	350 CuM/hr	350 CuM/hr	350 CuM/hr	350 CuM/hr	350 CuM/hr	350 CuM/hr	350 CuM/hr	350 CuM/hr	350 CuM/hr	100	100	100	100	
Nitrogen Plant	200 CuM/hr	200 CuM/hr	200 CuM/hr	200 CuM/hr	200 CuM/hr	200 CuM/hr	200 CuM/hr	200 CuM/hr	200 CuM/hr	100	100	100	100	

*Not Annualized and is only reflecting the pro-rata capacity for nine-month period ended December 31, 2024.

Source: As certified by M/s JAS Associates Independent Chartered Engineer, vide his certificate dated May 15, 2025.

(₹ in lakhs except for percentages)

Particulars	For nine-month period ended December 31, 2024	% to the total revenue	Fiscal 2024	% to the total revenue	Fiscal 2023	% to the total revenue	Fiscal 2022	% to the total revenue
Revenue from sales to Manufacturers	56,905.79	83.18%	76,472.21	84.05%	75,231.88	79.38%	61,330.57	80.03%
Revenue from sales to Traders	11,507.05	16.82%	14,508.58	15.95%	19,535.55	20.62%	15,311.13	19.97%
Total	68,412.84	100%	90,980.80	100%	94,767.44	100%	76,641.70	100%

*As certified by the Statutory Auditors, through certificate dated June 12, 2025.

Note: Any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.



RAJPUTANA STAINLESS

(₹ in lakhs except for percentages)

Particulars	For the nine-month period ended December 31, 2024	% to the total revenue from operations	Fiscal 2024	% to the total revenue from operations	Fiscal 2023	% to the total revenue from operations	Fiscal 2022	% to the total revenue from operations
Domestic Revenue	67,679.63	98.93%	90,494.47	99.47%	94,767.44	100%	76,641.70	100%
Export Revenue	733.21	1.07%	486.33	0.53%	-	-	-	-
Total	68,412.84	100%	90,980.80	100%	94,767.44	100%	76,641.70	100%

Note: As certified by the Statutory Auditors through certificate dated June 12, 2025

Particulars	For the nine-month period ended December 31, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	in ₹ in lakhs	% to cost of material consumed	in ₹ in lakhs	% to cost of material consumed	in ₹ in lakhs	% to cost of material consumed	in ₹ in lakhs	% to cost of material consumed
Top 1 supplier	3,807.58	7.50%	3,742.05	5.04%	3,819.62	5.10%	2,745.36	4.31%
Top 3 suppliers	8,290.55	16.33%	9,209.49	12.40%	9,157.34	12.23%	6,521.56	10.25%
Top 5 suppliers	11,992.37	23.62%	13,542.75	18.23%	13,422.77	17.93%	9,418.98	14.80%
Top 10 suppliers	19,283.11	37.98%	20,893.39	28.13%	22,320.82	29.82%	15,160.90	23.83%

Note: As certified by the Statutory Auditors through certificate dated June 12, 2025

Particulars	Nine-month period ended December 31, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (in ₹ lakhs)	% to operation revenue	Amount (in ₹ lakhs)	% to operation revenue	Amount (in ₹ lakhs)	% to operation revenue	Amount (in ₹ lakhs)	% to operation revenue
Top 1 Customer	5,030.70	7.35%	8,136.08	8.94%	8,746.80	9.23%	6,913.60	9.02%
Top 3 Customers	14,793.12	21.62%	22,202.46	24.40%	22,239.68	23.47%	15,147.18	19.76%
Top 5 customers	20,819.53	30.43%	27,500.83	30.23%	30,128.20	31.79%	22,671.56	29.58%
Top 10 customers	29,933.47	43.75%	38,164.10	41.95%	41,972.57	44.29%	36,255.25	47.30%

Note: As certified by the Statutory Auditors through certificate dated June 12, 2025



RAJPUTANA STAINLESS

(₹ in Lakhs except for %)

Particulars	December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from operations (Rs. in Lakhs)	68,412.84	90,980.80	94,767.44	76,641.70
EBITDA (Rs. in Lakhs)	5,600.02	5,940.97	4,384.58	3,024.50
EBITDA margin (%)	8.19%	6.53%	4.63%	3.95%
PAT (Rs. in Lakhs)	3,158.30	3,162.89	2,404.46	8,69.70
Net Profit margin (%)	4.62%	3.48%	2.54%	1.13%
Net worth (Rs. in Lakhs)	14,383.06	11,226.94	8,116.61	5,775.72
Return on capital employed (%)	24.97%	32.17%	25.72%	18.51%
Return on equity (%)	24.66%	32.70%	34.62%	16.55%
Debt to equity ratio (times)	0.63	0.71	0.98	1.59
Operating Cash Flows	318.98	3,148.96	2,510.35	(193.91)

Note: The Figure has been certified by our Statutory Auditors, vide their certificate dated June 12, 2025.

DISCLAIMER

Ye research report sirf educational aur informational purpose ke liye prepare ki gayi hai. Ye public circulation, commercial use, ya buy/sell/hold recommendation ke liye nahi hai. Isme jo information use ki gayi hai wo publicly available sources par based hai jo reliable mani jati hain, lekin koi independent verification nahi kiya gaya hai aur na hi iska accuracy, completeness ya reliability guarantee kiya jata hai. Is report me diye gaye views aur opinions sirf author ke hain, kisi bhi affiliated institution ke nahi. Author ek SEBI registered research analyst nahi hai, aur ye report kisi bhi tarah ka investment advice ya financial instrument me invest karne ka solicitation nahi hai. Readers ko strongly advise kiya jata hai ki wo apna khud ka due diligence karein aur kisi licensed financial advisor se consult karke hi investment decisions lein. Is report me mention kiye gaye securities me market volatility, currency fluctuation aur economic conditions jaise risks ho sakte hain. Author ke pass securities me position ho bhi sakti hai aur nahi bhi. Author kisi bhi financial loss ke liye responsible nahi hoga jo directly ya indirectly is report ke use se hoga. Ye document bina author ki written consent ke distribute, publish ya reproduce nahi kiya ja sakta. Is report ko access karna ye imply karta hai ki aap is disclaimer aur terms ko agree karte ho