

## **SAMBHV STEEL TUBES LIMITED**

**Issue Opens - June 25, 2025 to June 27, 2025**

**Price Band**  
**₹77 to ₹82**

**Face Value**  
₹10

**Issue Size**  
₹540.00 Cr

**Lot Size**  
182 Shares

**Listing At**  
NSE, BSE

**Issue Size**

**6,58,53,657 shares / ₹540.00 Cr**

**Fresh Issue**

**5,36,58,536 shares / ₹440.00 Cr**

**Offer for Sale**

**1,21,95,121 shares of ₹10 / ₹100.00 Cr**

**Retail Quota**

**Min. 35% of the Issue Size**

**Tentative Allotment**

**Mon, Jun 30, 2025**

**Initiation of Refunds**

**Tue, July 1, 2025**

**Credit of Shares to Demat**

**Tue, July 1, 2025**

**"Sambhv Steel" Listing Day**

**Wed, Jul 2, 2025**



## Objects of The Offer

The Company proposes to utilize the Net Proceeds towards funding the following objects:

- Pre-payment or scheduled repayment of a portion of certain outstanding borrowings availed by the Company.
- General corporate purposes..

## Brief profile of the Directors

1. **Suresh Kumar Goyal** is the Chairman and Executive Director of the Company, on the Board since March 2024. He holds a B.Com from Pt. Ravishankar Shukla University and has 20+ years of experience in the steel manufacturing industry. He has previously served as director in various companies and is currently a director in Sambhv Tubes Pvt. Ltd.
2. **Kishore Kumar Singh**, Independent Director since September 2024, is a retired IAS officer with 36+ years of administrative experience. He holds degrees in engineering, law, and an MBA, and currently serves as director in Madhya Pradesh Urban Development Co. Ltd.
3. **Vikas Kumar Goyal**, Managing Director & CEO, has been on the Board since incorporation. He holds a B.Com degree and has 19+ years of experience in the steel industry. He serves as director in multiple group companies and is a partner in Caprize Global LLP.
4. **Bhavesh Khetan**, Executive Director & COO since July 2023, holds a B.Com degree and has over 10 years of experience in trading iron, scrap, and coal. He was previously a proprietor at Vinayak Traders.
5. **Nidhi Thakkar**, Independent Director since September 2024, holds a degree in chemical engineering and a PG diploma in business administration. With 14+ years of experience in process and administration, she currently serves as director at Dool Systems Ltd. and partner in Ten Eighty Investments.

# About The Company and Business Overview



Sambhv Steel Tubes Limited is a leading Indian manufacturer specializing in Electric Resistance Welded (ERW) steel pipes and structural tubes (hollow sections). It is one of the key players in India by installed capacity as of March 31, 2024. Their existing manufacturing facilities are located in Village Sarora, Tehsil Tilda, Raipur ("Sarora (Tilda) Facility") and Village Kuthrel, in District Raipur, Chhattisgarh ("Kuthrel Facility") in the mineral rich state of 266 Chhattisgarh

- **Product Portfolio:**

- ERW Steel Pipes and Tubes: Used extensively in infrastructure, construction, oil & gas, and industrial applications.
- Structural Tubes (Hollow Sections): Used in construction, engineering, and fabrication industries.
- Stainless Steel Products: Including stainless steel blooms, slabs, hot rolled annealed & pickled (HR AP) coils, and cold rolled (CR) coils, showcased recently at the Global Stainless-Steel Expo 2025.

- **Manufacturing Facilities:** The company has a backward-integrated facility located in Raipur, Chhattisgarh, which provides strategic advantages in raw material access and supply chain efficiency.

- **Market Presence and Distribution:** Sambhv Steel Tubes serves customers across 15 states and one union territory in India, including major markets like Maharashtra, Gujarat, and Haryana, supported by an extensive distribution network.

# Strengths



- **Unique Backward-Integrated Manufacturing Facility** - Sambhav Steel Tubes is the only company in India with a single-location backward-integrated manufacturing facility for ERW steel pipes and tubes, controlling the entire value chain from raw materials (sponge iron, blooms, HR coils) to finished products. This integration enhances cost efficiency, quality control, and supply reliability.
- **Strategic Location** - The manufacturing plant is located in Sarora (Tilda), Raipur, Chhattisgarh, a mineral-rich region with easy access to raw materials like iron ore, coal, and sponge iron. This proximity reduces logistics costs and ensures steady raw material supply.
- **Strong Product Portfolio and Process Innovation** - The company manufactures a wide range of products including ERW black pipes, structural tubes (hollow sections), galvanised iron (GI) pipes, and stainless steel coils. It is one of the two Indian manufacturers producing ERW pipes using narrow-width HR coils, with advanced technology like hydraulic automatic gauge control (HAGC) for precision.
- **Robust Financial Performance** - Sambhav Steel Tubes reported strong revenue growth from ₹819 crore in FY22 to ₹1,289 crore in FY24, with net profit increasing from ₹72 crore to ₹82 crore in the same period. EBITDA margin improved to 12.43% in FY24, outperforming industry peers.
- **Extensive Distribution Network** - The company has a wide distribution footprint across 15 states and one union territory in India, including major markets like Maharashtra, Gujarat, and Haryana, enabling broad market reach.

## Key Risk Factors

- **Dependence on Third-Party Suppliers for Critical Raw Materials** - Despite backward integration, the company relies on third-party suppliers for significant raw materials such as iron ore, coal, and sponge iron, which accounted for over 70% of raw material expenses in 9MFY25. Any supply disruption or price volatility in these materials could adversely affect production costs and margins.
- **Supplier Concentration Risk** - Approximately 46% of raw materials are sourced from the top 10 suppliers, with the largest supplier accounting for nearly 9%. This concentration exposes the company to risks if key suppliers face operational issues or change terms unfavorably.<sup>3</sup>
- **Exposure to Raw Material Price Volatility** - Prices of iron ore, coal, and sponge iron are linked to global commodity markets and government policies, making profit margins vulnerable to fluctuations.
- **Restrictive Financing Covenants** - The company's borrowings (₹554 crore as of April 2025) are subject to restrictive covenants. Non-compliance with financial ratios could trigger renegotiations or penalties, impacting financial flexibility.

# Statement of Profit and Loss



## Sambhav Steel Tubes Limited

(All amounts are in Indian Rupees millions, unless otherwise stated)

Particulars	Nine Months Ended Dec 31, 2024 (Consolidated)	Year Ended Mar 31, 2024 (Standalone)	Year Ended Mar 31, 2023 (Standalone)	Year Ended Mar 31, 2022 (Standalone)
Revenue from operations	10,160.92	12,837.57	9,372.20	8,193.49
Other income	27.14	36.18	17.84	14.04
<b>Total income (I)</b>	<b>10,188.06</b>	<b>12,893.75</b>	<b>9,390.04</b>	<b>8,207.53</b>
<b>Expenses</b>				
Cost of materials consumed	7,362.91	8,287.16	6,700.23	6,344.50
Purchases of stock-in-trade	75.69	1,056.93	569.19	135.44
Changes in inventories	(372.39)	(142.25)	(302.41)	(281.87)
Employee benefits expense	607.92	571.33	414.61	234.65
Finance costs	307.91	318.15	218.16	191.40
Depreciation and amortization expense	225.86	209.10	161.51	101.24
Other expenses	1,423.12	1,485.68	817.58	515.62
<b>Total expenses (II)</b>	<b>9,631.02</b>	<b>11,766.10</b>	<b>8,678.87</b>	<b>7,240.78</b>
<b>Profit before exceptional item and tax (I - II)</b>	<b>557.04</b>	<b>1,107.65</b>	<b>811.17</b>	<b>966.75</b>
Profit before tax and share of net profits of investments accounted for using equity method	557.04	1,107.65	811.17	966.75
Profit before tax	557.04	1,107.65	811.17	966.75
<b>Tax expense:</b>				
Current tax	50.96	238.24	164.71	200.07
Current tax on earlier period	4.93	0.00	0.00	0.00
Deferred tax	94.30	45.02	42.63	45.60
<b>Total tax expense (VIII)</b>	<b>150.19</b>	<b>283.26</b>	<b>207.34</b>	<b>246.67</b>
<b>Profit for the period/year (VII - VIII)</b>	<b>406.85</b>	<b>824.39</b>	<b>603.83</b>	<b>721.08</b>
Other comprehensive income				
Remeasurement gains/(losses)	(7.81)	1.64	9.59	(1.02)
Income tax relating to above	1.97	(0.41)	(2.42)	0.26
<b>Total other comprehensive income</b>	<b>(5.84)</b>	<b>1.23</b>	<b>7.17</b>	<b>(0.76)</b>
<b>Total comprehensive income for the period/year (IX + X)</b>	<b>401.01</b>	<b>825.62</b>	<b>611.00</b>	<b>720.32</b>
Earnings per equity share (Basic)	1.69	3.79	3.01	3.59
Earnings per equity share (Diluted)	1.69	3.79	3.01	3.59

# Valuation and Outlook



**Sambhv Steel Tubes Limited** IPO is expected to be priced between **₹77 to ₹82** per share. At this price, the company is valued at Price-to-Earnings (P/E) ratio of **21.63x** while the industry P/E is around **39.34x**

Sambhv Steel Tubes Ltd (SSTL) is a prominent manufacturer of ERW steel pipes and related products, offering a wide range of steel tubes with a strong focus on quality and variety. The company has demonstrated consistent growth in both revenue and profit over the last three financial years. With recent capacity expansions operational, SSTL is poised to see further improvement in financial performance.

The company benefits from a robust backward integration setup, allowing cost-efficient production of high-margin products such as Stainless Steel Blooms, Hot Rolled Coils, Cold Rolled Coils, and HRAP Coils. It has also added Pre-Galvanised (GP) and GP pipes to its portfolio, strengthening its value-added offerings.

Funds raised from the public issue are allocated toward debt reduction, aiming to improve financial leverage and reduce interest costs. With increased capacity utilization of newly introduced SS CR coils and GP pipes expected in the coming quarters, operating margins are likely to improve.

**"Call us on 8448899576"** to find out whether or not you should apply.

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