



VMS TMT LIMITED



VMS TMT LTD

Price Band

₹94 to ₹99

Issue Opens

September 17 to September 19

Face Value

₹10

Issue Size

₹148.50 Cr

Lot Size

150 Shares

Listing At

NSE, BSE

VMS TMT Ltd Info

Issue Size

1,50,00,000 shares / ₹148.50 Cr

Fresh Issue

1,50,00,000 shares / ₹148.50 Cr

Offer for Sale

N/A

Retail Quota

Not Less than 50% of the Net Issue

Retail Min/Max

Rs.14,850 /1,93,050

VMS TMT Ltd Timeline

Tentative Allotment

Mon, Sep 22, 2025

Initiation of Refunds

Tue, Sep 23, 2025

Credit of Shares to Demat

Tue, Sep 23, 2025

"VMS TMT Ltd" Listing Day

Wed, Sep 24, 2025

Objects of The Offer



VMS TMT Limited is launching its public issue with the following objectives:

- **Repayment or Prepayment of Borrowings:** The Company proposes to utilise a portion of the Net Proceeds, estimated at ₹11,500 lakhs, towards repayment or prepayment, in full or in part, of certain outstanding borrowings availed by the Company. This will help reduce debt, lower finance costs, and strengthen the balance sheet.
- **General Corporate Purposes:** The balance of the Net Proceeds will be used for general corporate purposes, subject to such utilisation not exceeding 25% of the Gross Proceeds of the Issue, in compliance with SEBI ICDR Regulations. These purposes may include funding strategic initiatives, meeting working capital requirements, pursuing growth opportunities, brand building, and other business exigencies.

About The Company and Business Overview

VMS TMT Limited is a Gujarat-based steel manufacturer primarily engaged in producing Thermo Mechanically Treated (TMT) Bars, a critical product in the construction industry known for high strength, ductility, and corrosion resistance. Incorporated in 2013 and converted into a public company in 2023, the Company operates its manufacturing facility at Bhayla Village, Ahmedabad.

The Company's core product is TMT Bars, complemented by allied revenue streams from billets, binding wires, and scrap sales. In September 2024, it completed backward integration through a Continuous Casting Machine (CCM) division, enabling direct production of billets from scrap. This integration reduces reliance on external billets, lowers costs, and improves control over raw material sourcing.

With an installed capacity of 200,000 MT per annum of TMT Bars and 216,000 MT of billets, VMS TMT achieved capacity utilization ranging from ~63% to 81% over Fiscals 2023-2025. Its products are marketed under the "Kamdhenu" brand through a non-exclusive retail license agreement with Kamdhenu Limited, strengthening consumer visibility and credibility.



The business is geographically concentrated in Gujarat, which contributed over 96% of revenues in the last three fiscals, served by a distribution network of 3 distributors and 227 dealers across 116 cities. The Company caters to both retail and institutional customers, with retail sales forming the bulk of its revenue (79% in FY25).

Financially, the Company reported revenues of ₹77,140.76 lakhs and PAT of ₹1,473.70 lakhs in Fiscal 2025. While profitability has improved, high leverage remains a concern, with a debt-to-equity ratio of 3.77x as of March 2025. The Company has also seen negative operating cash flows in multiple periods despite positive operating profit before working capital changes.

Promoted by Varun Manojkumar Jain and supported by an experienced management team, VMS TMT is pursuing growth through backward integration, renewable energy adoption (15 MW solar plant under development), and regional expansion via job work and acquisitions.

Financial Ratios

FINANCIAL RATIOS	ROCE	ROE	P/E	INDUSTRY P/E	EV/EBITDA
Kamdhenu Limited	28.90	22.00	12.40	9.47	8.34
Vraj Iron and Steel Limited	18.20	14.80	14.00	9.47	7.63
BMW Industries Limited	11.30	9.28	18.80	9.47	9.90
Electrotherm (India) Limited	31.60	-	5.22	9.47	8.27
VMS TMT Limited	12.79	20.14	22.04	9.47	N/A



Brief profile of the Directors

- **Varun Manojkumar Jain** is serving as the Promoter, Chairman and Managing Director of the Company. A bachelor's degree in commerce from Gujarat University and a management programme for family business from the Indian School of Business, Hyderabad were obtained by him. The Professional Competence Examination from ICAI was also passed by him. More than 8 years of experience in the steel sector has been gained by him.
- **Rishabh Sunil Singhi** is serving as the Promoter and Whole-time Director of the Company. A bachelor's degree in technology in civil engineering from Pandit Deendayal Energy University was obtained by him. More than 3 years of experience in the steel sector has been gained by him.
- **Manojkumar Jain** is serving as the Promoter and Non-Executive Director of the Company. A bachelor's degree in commerce from Kanpur University was obtained by him. He is a qualified Chartered Accountant. More than 22 years of experience in ship breaking and recycling, TMT bar manufacturing, offshore activities, automobiles and finance has been gained by him.
- **Jasmin Jaykumar Doshi** is serving as an Independent Director of the Company. A bachelor's degree in commerce and a master's degree in commerce from Gujarat University were obtained by her. She is also a member of the Institute of Company Secretaries of India. More than 9 years of experience in company law, SEBI laws, insolvency laws and corporate laws has been gained by her.
- **Vinodkumar Bhanwer Singh** is serving as an Independent Director of the Company. A bachelor's degree in commerce from the University of Rajasthan was obtained by him. Certificates in modern product leadership (University of Maryland), cash flow analysis, corporate funding alternatives and finance strategies, and money markets, foreign exchange and time value of money (New York Institute of Finance), business communication (Rochester Institute of Technology) and commercial credit (Moody's Analytics) were also obtained by him. More than 34 years of experience as a banking professional has been gained by him.
- **Vivek Dinesh Nathwani** is serving as an Independent Director of the Company. A master's degree in commerce from the University of Mumbai was obtained by him. Certificate course on concurrent audit of books conducted by the Internal Audit Standard Board of ICAI and post-qualification course in information systems audit were completed by him. The Emerging Leaders Program of 3TP from the Indian Institute of Management, Ahmedabad was also completed by him. He is a practicing Chartered Accountant and a member of the Institute of Chartered Accountants of India. More than 11 years of experience in finance and accounts operations, strategic financial planning, controls and risk management, financial and transactional advisory, cost management, audits and assurance, reporting and documentation, fund/cash management and team building and leadership has been gained by him.

Strengths



- **Strong Manufacturing Infrastructure:** Well-equipped plant near Ahmedabad with 200,000 MT annual TMT capacity; backward integration enables direct production from scrap, reducing costs and coal dependency.
- **Positioned in a High-Growth Industry:** Rising infrastructure and urbanisation in India support strong demand for TMT Bars, favoured for durability and earthquake resistance.
- **Wide Distribution Network:** Network of 227 dealers and 3 distributors across Gujarat with high customer retention; doorstep delivery supported by 50+ trucks.
- **Efficient Supply Chain:** Nearly 70% of raw materials sourced locally, ensuring supply security and cost efficiency; backward integration strengthens reliability.
- **Experienced Promoters:** Led by promoters with 30+ years cumulative industry experience, supported by a professional senior management team.
- **Robust Financial Growth:** EBITDA grew at 44% CAGR and PAT at 87% CAGR (FY23-FY25); PAT margins improved to 4.02% in Q1 FY26.
- **Quality & Sustainability Focus:** BIS-certified products, ISO accreditations, and an upcoming 15 MW solar power plant to cut energy costs and enhance sustainability.
- **Trusted Brand Association:** Markets TMT Bars under the "Kamdhenu" brand, giving it strong recognition and credibility in the steel industry.

Key Risk Factors

- **High Dependency on Kamdhenu Brand:** 100% sales tied to Kamdhenu retail license; agreement is non-exclusive and terminable with one month's notice, posing a major risk.
- **Reliance on Raw Material Suppliers:** Over 70-95% of expenses are raw material costs; no long-term contracts make business vulnerable to price volatility and supply disruptions.
- **Customer Concentration:** Top 10 customers contribute ~92-97% of revenues; loss of a single large customer (30% share) could severely impact sales.
- **Non-Exclusive Distribution Network:** Relies on 3 distributors and 227 dealers in Gujarat, who can also sell competitors' products.
- **High Debt & Weak Cash Flows:** Debt-to-equity at 3.7-5.2x; borrowings ₹30,918 lakhs; negative operating cash flows in FY23 & FY25 strain liquidity.
- **Geographic Concentration:** ~97-99% revenue comes from Gujarat, exposing business to regional risks like economic downturns or disruptions.
- **Under-Utilisation of Capacity:** TMT capacity utilization dropped to ~63% in FY25 vs ~80% earlier, showing inefficient asset use.
- **Quality & Product Liability Risks:** Strict BIS/Kamdhenu standards; non-compliance could lead to license cancellation or product recalls.
- **High Attrition & Management Dependence:** Attrition peaked at 20.65% in FY24; business depends heavily on promoters and lacks key-man insurance.
- **Steel Industry Risks:** Subject to accidents, equipment failures, and utility supply disruptions; past fatal accident highlights operational hazards.

Statement of Profit and Loss



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

Particulars	FY25 (₹ Mn)	FY24 (₹ Mn)	FY23 (₹ Mn)
Income			
Revenue from Operations	77,019.10	87,295.77	88,201.35
Other Income	121.66	21.09	4.26
Total Income	77,140.76	87,316.86	88,205.61
Expenses			
Cost of Materials Consumed	52,781.10	75,023.48	84,699.73
Purchase of traded goods	12,415.76	2,200.87	1,311.89
Changes in Inventories	(2,042.04)	(411.99)	(6,480.42)
Employee Benefit Expenses	1,322.37	1,005.31	918.64
Finance Costs	1,984.76	1,818.36	1,282.70
Depreciation & Amortisation Expenses	680.53	393.28	357.61
Other Expenses	7,989.28	5,357.80	5,560.73
Total Expenses	75,131.78	85,387.12	87,650.88
Profit/Loss before exceptional items & tax (PBT)	2,008.98	1,929.74	554.73
Exceptional Items	-	-	-
Profit/(Loss) before tax	2,008.98	1,929.74	554.73
Tax Expense			
Current Tax	318.17	383.92	3.88
Deferred Tax	148.97	198.98	131.33
Total Tax Expense	467.14	582.90	135.20
Profit After Tax (Continuing Operations) (A)	1,541.84	1,346.84	419.53
Discontinued Operations			
Profit/Loss from discontinued operations (B)	(68.15)	-	-
Profit After Tax (A+B)	1,473.70	1,346.84	419.53
Other Comprehensive Income (OCI)			
Remeasurement of Defined Benefit Plans	8.71	9.88	7.51
Tax impact on OCI	-	-	-
Total OCI (Net of Tax)	8.71	9.88	7.51
Total Comprehensive Income	1,482.40	1,356.72	427.04
Earnings Per Share (EPS, FV ₹10)			
Basic EPS (₹)	4.49	4.01	1.39

Valuation and Outlook



VMS TMT Ltd IPO is expected to be priced between **₹94 to ₹99** per share. At this price, the company is valued at a Price-to-Earnings (P/E) ratio of **22.04x**, whereas the industry average is **9.47x**.

Name of the Company	Face Value (₹)	Total Income (₹Lakhs)	Diluted EPS (₹)	NAV (₹ per share)	P/E	CMP (₹)	RoNW (%)
VMS TMT Limited	10.00	77,140.76	4.29	13.32			20.14
Kamdhenu Limited	10.00	75,794.51	2.18	11.66	13.50	29.50	18.82
Vraj Iron and Steel Limited	10.00	47,886.00	13.55	116.53	11.77	154.00	10.88
BMW Industries Limited	1.00	56,643.22	2.83	30.84	16.57	47.60	9.16
Electrotherm (India) Limited	10.00	4,12,292.00	336.42	(89.01)	2.37	989.00	(377.85)

VMS TMT Limited is strategically positioned to benefit from India's infrastructure and real estate growth, with its strong backward integration and robust distribution network driving operational efficiency. The association with the Kamdhenu brand provides market credibility but also exposes it to significant dependence risk. While steady financial growth, margin improvement, and sustainability initiatives like the solar plant are positives, high leverage, negative operating cash flows, and geographic concentration in Gujarat remain key concerns. Customer and raw material dependence add to business volatility, especially in a cyclical steel industry. Future growth will depend on the company's ability to diversify beyond Kamdhenu, optimize capacity utilization, strengthen its balance sheet, and expand geographically. Overall, the outlook is cautiously positive, balancing strong growth drivers with notable operational and financial vulnerabilities.

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

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