IPO RESEARCH REPORT

A-One Steels India Limited

Backward-Integrated Steel Manufacturer in Southern India — FY26 Profitability Turnaround

IPO Open: Sep 24, 2026 **IPO Close:** Sep 28, 2026 **Listing:** Oct 1, 2026 (BSE, NSE)

OUR RECOMMENDATION	PRICE BAND	GMP (AS OF SEP 23, 2026)
SUBSCRIBE*	**₹385 - ₹405**	**₹50 (~12.3%)**
*Long-term view; cyclical sector, verify latest subscription/GMP before applying	Lot: 37 shares | ₹14,985 min.	Est. listing ₹455 | Unofficial

This report is a research summary for informational purposes only and does not constitute investment advice. GMP figures are unofficial grey-market indicators and may change materially before listing. Please read Section 13 (Disclaimer) before acting on this report.

1. IPO AT A GLANCE

A-One Steels India Limited is a Bengaluru-headquartered, backward-integrated steel manufacturer operating across southern India, with a product portfolio spanning long steel products (TMT bars), flat steel products (HR/CR coils, pipes, galvanised tubes) and industrial products (sponge iron, met coke, ferro alloys). The company is raising ₹405 crore through a book-built issue comprising a ₹355 crore fresh issue and a ₹50 crore offer for sale by the promoters. The issue opens on September 24, 2026 and closes on September 28, 2026, with listing on the BSE and NSE tentatively scheduled for October 1, 2026.

Issue Details

Particulars	Details
IPO Type	Mainboard — Book Built Issue
Issue Size	₹405 Cr (approx. 1.00 Cr shares at upper band)
Fresh Issue	₹355 Cr (approx. 87.65 lakh shares)
Offer for Sale (OFS)	₹50 Cr (approx. 12.35 lakh shares) by promoters
Face Value	₹10 per share
Price Band	₹385 – ₹405 per share
Lot Size	37 shares
Minimum Retail Investment	₹14,985 (1 lot, upper band)
Maximum Retail Investment	≈₹1,94,805 (13 lots — SEBI retail cap of ₹2 lakh)
Employee Discount	₹38 per share
IPO Open Date	September 24, 2026
IPO Close Date	September 28, 2026
Basis of Allotment	September 29, 2026
Listing Date (Tentative)	October 1, 2026 on BSE & NSE
Market Cap at Upper Band	₹3,127.84 Cr (post-listing, approx.)

Particulars	Details
Book Running Lead Managers	PL Capital Markets Pvt. Ltd., Khambatta Securities Ltd.
Registrar to the Issue	Bigshare Services Pvt. Ltd.

Quota / Reservation Table

Investor Category	Shares Reserved (approx.)	% of Net Issue
Qualified Institutional Buyers (QIB)	≈ 50.0 lakh shares	50%
Non-Institutional Investors (NII / HNI)	≈ 15.0 lakh shares	15%
– Small NII (sNII), approx. min. application	≈ 14 lots ≈ ₹2.10 lakh	–
– Big NII (bNII), approx. min. application	≈ 67 lots ≈ ₹10.05 lakh	–
Retail Individual Investors (RII)	≈ 35.0 lakh shares	35%
Total	≈ 1.00 Cr shares	100%

NII sub-category thresholds are indicative, based on standard SEBI ICDR bidding-lot conventions for mainboard issues; investors should confirm exact cut-offs from the final RHP/bid-lot circular.

2. COMPANY OVERVIEW

History & Incorporation

A-One Steels India Limited was incorporated in 2012. The promoters — Krishan Kumar Jalan, Sunil Jallan and Sandeep Kumar — originally entered steel manufacturing in FY09 with a small MS ingot unit at Hindupur, and shifted to billet production via continuous casting in 2011. The company converted into a public limited company on December 23, 2024 ahead of listing, and is headquartered in Bengaluru, Karnataka. Prior to the IPO, the promoters held 100% of the company's equity.

Business Model

The company operates a backward-integrated model spanning the steel value chain: it manufactures intermediate products (sponge iron, MS billets) that feed into finished products (TMT bars, HR/CR coils, HR/CR/GP pipes, galvanised tubes) and separately produces industrial inputs (met coke, ferro alloys/silicon manganese) sold in the open market. This integration lets the company consume several intermediate products captively before selling surplus output, supporting cost and quality control across the chain.

Scale & Facilities

A-One Steels operates six manufacturing facilities — five in Karnataka (Gauribidanur, Bellary, Koppal, Chikkantapur) and one in Hindupur, Andhra Pradesh. Aggregate installed capacity across intermediate, finished and industrial products rose from 14.97 lakh MTPA in FY24 to 17.33 lakh MTPA in FY26 (+15.7%), including approximately 5.70 lakh MTPA of crude-steel-equivalent (MS billet) capacity. The company sells through a network of 1,246 direct retail outlets, 32 authorised distributors and 57 institutional customers, with no single customer accounting for more than 7% of revenue from operations in the past three fiscals. As of June 2026, the company had a workforce of 2,459. Per the CRISIL Report cited in the RHP, the company holds a modest ~0.27% share of India's overall crude steel production.

Promoters

Promoter	Details
Krishan Kumar Jalan	Promoter; part of founding team that entered steel manufacturing in FY09
Sunil Jallan	Promoter; part of founding team
Sandeep Kumar	Promoter; part of founding team

The three promoters collectively held 100% of pre-IPO equity; the RHP's shareholding-pattern section should be consulted for exact post-IPO holding percentages.

3. ORDER BOOK / KEY OPERATING METRICS

For an integrated steel manufacturer, the equivalent of an order book is installed capacity, capacity utilisation, product/customer mix and green-energy adoption — the key drivers of revenue durability and cost competitiveness.

17.33L MTPA Aggregate Installed Capacity, FY26	**+15.7%** Capacity Growth, FY24–FY26	**6** Manufacturing Facilities (5 Karnataka + 1 Andhra Pradesh)	**10** Steel & Industrial Products Manufactured
61.6% FY26 Revenue — TMT Bars + Pipes/Tubes + Sponge Iron	**54.8%** FY26 Revenue from Karnataka	**83.2%** FY26 Energy from Green Power	**230 MW** Solar + Wind Power Purchase Agreements
1,246 Direct Retail Outlets	**≤7%** Max. Revenue Share of Any Single Customer	**₹1,563.79 Cr** Trade Receivables + Inventory, FY26 (70.2% of Current Assets)	**2,459** Employees (as of June 2026)

Source: RHP; CRISIL Report cited in the RHP; company disclosures via Upstox, Multibagg, EQ Magazine and related IPO-tracker summaries.

4. FINANCIAL PERFORMANCE

3-Year Financial Snapshot (₹ in Crore, consolidated, unless stated)

Particulars	FY24	FY25	FY26	CAGR / YoY
Total Income	3,862.44	3,569.63	4,202.05	+4.3% CAGR; +17.7% YoY (FY26)
Revenue from Operations	3,835.93	3,544.37	4,167.33	+17.6% YoY (FY26)
EBITDA	172.19	174.06	303.64	+74.5% YoY (FY26)
EBITDA Margin (%)	4.49	4.91	7.29	Improving
Profit After Tax (PAT)	38.91	7.71	127.41	+1,553% YoY (FY26)
PAT Margin (%)	1.01	0.22	3.06	Sharp FY26 recovery
Return on Capital Employed (RoCE)	n.a.*	7.03	12.86	Improving
Net Worth	421.79	676.63	819.52	+15% YoY (FY26)
Net Debt	992.79	951.96	985.37	Broadly stable
Debt / Equity (x)	2.34	1.34	1.17	Steadily improving

**FY24 RoCE not consistently disclosed at the same basis across sources reviewed; an earlier, separately sourced estimate suggested approximately 10.45%, but this could not be cross-verified against the final RHP figure and is therefore marked n.a. here. FY26 PAT of ₹127.41 Cr is after exceptional items; PAT before exceptional items was ₹126.88 Cr, so the exceptional item's impact on FY26 profit is minor (unlike some peer IPOs where one-off gains dominate reported profit).*

Analyst Notes on Financial Trends

- **FY26 marks a genuine operating recovery, not just an accounting boost:** Unlike issues where profit growth is driven mainly by one-off items, EBITDA nearly doubled from ₹174.06 Cr to ₹303.64 Cr and EBITDA margin expanded from 4.91% to 7.29%, indicating the FY26 profit jump is substantially operational; PAT before and after exceptional items are nearly identical (₹126.88 Cr vs. ₹127.41 Cr).
- **However, cash conversion has weakened even as reported profit improved:** FY26 operating cash flow fell roughly 40% year-on-year to approximately ₹62.79 Cr, as rising inventories and trade receivables (together ₹1,563.79 Cr, or 70.2% of current assets) absorbed cash even while the income statement improved — a gap investors should watch in subsequent quarters.
- **Margins have historically been thin and volatile:** PAT margin swung from 1.01% (FY24) to just 0.22% (FY25) before recovering to 3.06% (FY26); a single strong year does not yet establish a durable margin profile in a cyclical, commodity-linked business.
- **Leverage has improved meaningfully but remains material in absolute terms:** Debt/Equity nearly halved from 2.34x (FY24) to 1.17x (FY26) as net worth grew faster than debt, but total borrowings still stood at roughly ₹1,010.94 Cr as of the RHP date, with standalone outstanding borrowings of ₹864.4 Cr as of July 15, 2026.

Figures sourced from RHP-based summaries (Abhinav Mishra's Substack, InsightsByBeatTheStreet, Flattrade Kosh, 5paisa, Inxits) which are broadly consistent with one another; minor rounding/classification differences exist between “total income” and “revenue from operations” across trackers. Investors should cross-check exact line items against the final RHP financial statements before investing.

5. VALUATION ANALYSIS

Metric	Lower Band (₹385)	Upper Band (₹405)
P/E (x) — on FY26 diluted EPS	20.84	21.92

Metric	Lower Band (₹385)	Upper Band (₹405)
Market Cap (₹ Cr, post-issue, approx.)	—	3,127.84
P/BV (x) — estimated, post-issue	—	≈2.7 (estimated)*

**P/BV not independently disclosed in the sources reviewed; the approximate figure above is derived from disclosed FY26 net worth (₹819.52 Cr) plus estimated fresh-issue proceeds, and should be treated as an approximation pending confirmation from the RHP's exact post-issue net-worth disclosure.*

Peer Valuation Context

The company operates alongside listed players including MSP Steel and Power Limited, Jai Balaji Industries Limited and Shyam Metallics and Energy Limited. At the upper price band, A-One Steels' post-issue P/E of 21.92x compares favourably with the RHP-disclosed industry peer-group average P/E of approximately 45.20x for FY26, suggesting the issue is priced at a discount to listed peers on this specific metric — though peers differ meaningfully in scale, integration level and product mix, so the comparison should be treated as indicative rather than like-for-like.

Company	P/E (x)	RoNW (%)
A-One Steels India Limited (post-issue, upper band)	21.92	n.a.†
MSP Steel and Power Limited	61.52	0.0
Jai Balaji Industries Limited	45.76	0.0
Shyam Metallics and Energy Limited	28.31	10.1

† Post-issue RoNW not independently confirmed at the time of this report; separate trackers cite figures ranging from approximately 9% to 15%, likely reflecting different computation bases (pre- vs. post-issue capital, or different fiscal periods) — treat with caution pending the final RHP figure.

6. USE OF FRESH ISSUE PROCEEDS

Of the ₹355 crore fresh issue, the company has earmarked ₹250 crore (about 70%) for the pre-payment or partial repayment of certain outstanding borrowings, with the balance available for general corporate purposes. This is a comparatively conservative, deleveraging-focused use of proceeds relative to issues that direct the bulk of proceeds toward acquisitions or related-party transactions.

Object of the Issue	Amount (₹ Cr)	% of Fresh Issue
Pre-payment / partial repayment of outstanding borrowings	250.00	≈70.4%
General corporate purposes	≈105.00	≈29.6%
Total	355.00	100%

The separate ₹50 Cr offer-for-sale component is paid to selling promoter shareholders and does not accrue to the company.

7. INDUSTRY OVERVIEW & TAILWINDS

- **Structural growth in Indian steel demand:** India's crude steel production is projected to rise from roughly 169 million tonnes in FY26 to an estimated 240–250 million tonnes over the medium term, supporting continued demand for both intermediate and finished steel products.
- **Infrastructure and construction-led demand:** The company's products serve construction, infrastructure, power, and transport end-markets (dams, airports, bridges, flyovers, highways, high-rise residential), which benefit from continued public and private infrastructure spending in India.
- **Shift toward green/low-carbon steel:** Growing regulatory and customer emphasis on lower-emission steel (including CBAM-related export considerations) favours manufacturers like A-One Steels that have already built significant renewable power capacity and hold green-certified production.
- **Regional/southern-India positioning:** Proximity to the regional mineral belt (Bellary/Koppal within about 100 km) and road/rail connectivity support relatively efficient input sourcing and product distribution within the southern Indian market.

8. KEY STRENGTHS

- **Backward vertical integration:** Operations span from intermediate products (sponge iron, MS billets) to finished goods (TMT bars, coils, pipes) and industrial inputs (met coke, ferro alloys), supporting captive consumption and cost control across the value chain.
- **Diversified product portfolio:** Ten steel and industrial products spanning long, flat and industrial-product categories reduce dependence on any single product line, even though the top three product categories still account for 61.6% of FY26 revenue.
- **Strategic manufacturing location:** Five of six facilities sit in Karnataka, close to the regional mineral belt, with established road and rail linkages for raw material and finished-product movement.
- **Leading adoption of green power:** 83.2% of FY26 energy needs were met from green sources via 230 MW of solar and wind PPAs plus captive/WHRB generation, supporting both cost savings (approximately ₹1.57–2/unit) and CII-certified green TMT bar production.
- **Broad, granular customer base:** 1,246 direct retail outlets, 32 distributors and 57 institutional customers, with no single customer exceeding 7% of revenue in the past three fiscals, reduces customer-concentration risk relative to some peer IPOs.
- **Sharp FY26 operating turnaround:** EBITDA margin nearly doubled (4.91% to 7.29%) and PAT surged from ₹7.71 Cr to ₹127.41 Cr, with the improvement substantially reflected in EBITDA rather than one-off items.
- **Improving balance sheet:** Debt/Equity nearly halved from 2.34x (FY24) to 1.17x (FY26) and RoCE nearly doubled to 12.86%, evidencing genuine deleveraging and better capital efficiency.
- **Attractive relative valuation:** A post-issue P/E of ~21.9x compares favourably with the disclosed peer-group average of ~45.2x for FY26, offering a valuation cushion versus listed comparables.
- **Ongoing capacity expansion:** Installed capacity grew 15.7% from FY24 to FY26, with further growth planned via the Koppal facility (beneficiation plant, WHRB power plant, railway siding) and potential new product lines.
- **Debt-reduction-focused use of proceeds:** 70% of the fresh issue (₹250 Cr) is earmarked for repaying borrowings, directly supporting the deleveraging trend already visible in the FY24–FY26 numbers.

9. KEY RISKS & CONCERNS

We flag the following risk factors, colour-coded by our assessment of relative severity. Investors should also review the detailed “Risk Factors” section of the RHP for the complete and legally exhaustive list of risks disclosed by the Company.

Risk Factor	Description	Severity
Historically thin and volatile margins	PAT margin swung from 1.01% (FY24) to just 0.22% (FY25) before recovering to 3.06% (FY26); a single strong year does not yet establish sustained margin durability in a cyclical, commodity-price-sensitive business.	HIGH
Weakening cash conversion despite rising profit	FY26 operating cash flow fell roughly 40% YoY to about ₹62.79 Cr even as reported profit surged, driven by rising inventories and trade receivables (70.2% of current assets) — a gap between accounting profit and cash generation worth monitoring.	HIGH
Steel-sector cyclicality and price volatility	Revenue and profitability are exposed to steel price cycles, raw-material cost swings (iron ore, coal/coke) and demand fluctuations across construction, infrastructure and industrial end-markets.	HIGH
Elevated absolute debt levels	Total borrowings of roughly ₹1,010.94 Cr (standalone borrowings ₹864.4 Cr as of July 2026) remain sizeable in absolute terms, even though the Debt/Equity ratio has improved to 1.17x; only ₹250 Cr of the fresh issue goes toward repayment.	MEDIUM
Capacity under-utilisation risk	The RHP flags that the company may not be able to effectively utilise its existing and expanded manufacturing capacities, which could adversely affect business performance and returns on the capital already deployed.	MEDIUM
Execution risk on Koppal expansion	Planned projects at Koppal (iron ore beneficiation plant, WHRB power plant, railway siding) are exposed to construction delays, cost overruns, funding requirements and regulatory approvals.	MEDIUM
Geographic and product concentration	Karnataka contributes 54.8% of FY26 revenue and houses five of six plants; TMT bars, pipes/tubes and sponge iron together account for 61.6% of FY26 revenue, concentrating exposure to specific regions and product cycles.	MEDIUM
Small overall market share	Per the CRISIL Report cited in the RHP, the company holds only about 0.27% of India's overall crude steel production, limiting pricing power relative to larger integrated steel producers.	MEDIUM
Working-capital intensity	Trade receivables and inventory together were ₹1,563.79 Cr as of March 31, 2026 (70.2% of current assets), tying up significant capital and exposing the company to receivables and inventory-valuation risk in a volatile pricing environment.	MEDIUM
Partial promoter monetisation via OFS	₹50 Cr of the issue is an offer for sale by the promoters; while the majority of the raise is a fresh issue, this component does represent some pre-listing promoter cash-out.	LOW

10. IPO TIMELINE & HOW TO APPLY

Event	Date
IPO Opens	September 24, 2026
IPO Closes	September 28, 2026
Basis of Allotment (Tentative)	September 29, 2026
Refund / Demat Credit (Tentative)	September 30, 2026

Event	Date
Listing Date (Tentative)	October 1, 2026 (BSE, NSE)

How to Apply – ASBA / UPI

- Apply through your bank's ASBA facility (net-banking) or a broker/app supporting UPI-based bidding; funds are blocked in your account, not debited, until allotment.
- Select "A-One Steels India Limited" IPO, choose the retail category if applying as an individual, and bid at the cut-off price or within the ₹385–₹405 band.
- Minimum retail application is 1 lot of 37 shares (≈₹14,985 at the upper band); retail investors may apply for up to 13 lots (≈₹1,94,805), staying within the SEBI ₹2 lakh retail investment cap.
- Approve the UPI mandate request promptly (within the specified window) to ensure your bid is registered before the issue closes.
- Track allotment status via the registrar, Bigshare Services Pvt. Ltd., using your PAN, application number or demat details after the basis-of-allotment date.

11. GMP & INVESTOR SENTIMENT

Metric	Value
Grey Market Premium (as of Sep 23, 2026)	₹50 (~12.3% over upper band)
GMP Range, Last ~7 Sessions	₹0 – ₹64 (volatile; started at ₹0, peaked around ₹60–64, softened to ₹50)
Implied Listing Price Estimate	≈₹455 (vs. ₹405 issue price)

GMP for this issue has been more volatile than usual — starting near ₹0 in the initial sessions before rising to a high of roughly ₹60–64 and then softening to around ₹50 as of the most recent reading, still implying a double-digit percentage listing premium. This trajectory suggests improving but not unanimous grey-market conviction; some trackers noted an initial "unusually muted" response despite the strong FY26 revenue and profit growth, before sentiment firmed up closer to the issue open. Independent commentary frames the company as a mid-sized, regionally focused player with improving profitability but continued exposure to steel-sector cyclicality, raw-material volatility and competitive intensity.

GMP (Grey Market Premium) is an informal, unregulated indicator quoted in the unofficial "grey market" and is not published or endorsed by any stock exchange, SEBI, or Ganesh StockInvest. It reflects prevailing sentiment at a point in time, can swing sharply — including turning negative — right up to the listing date, and should never be the sole basis for an investment decision. Actual listing price performance may differ materially from GMP-implied levels.

12. GANESH STOCKINVEST RECOMMENDATION

GANESH STOCKINVEST RECOMMENDATION: SUBSCRIBE

Attractively priced turnaround story for long-term investors comfortable with steel-sector cyclicality

Investment Rationale

- **Genuine, broad-based operating turnaround:** FY26's profit surge is corroborated by a near-doubling of EBITDA margin and minimal gap between PAT before and after exceptional items — unlike some peer issues, this does not appear to be a one-off-gain-driven result.
- **Meaningfully de-risked balance sheet:** Debt/Equity nearly halved over two years, and 70% of the fresh issue is earmarked for further debt repayment, reinforcing the deleveraging trend.
- **Valuation discount to listed peers:** A post-issue P/E of ~21.9x compares favourably with a disclosed peer-group average of ~45.2x, offering some valuation cushion even if FY26 performance moderates.

Caution Factors

- Historical margins have been thin and volatile (PAT margin as low as 0.22% in FY25); one strong year does not guarantee durability in a cyclical, commodity-linked sector.
- FY26 operating cash flow fell ~40% YoY despite higher reported profit, driven by rising receivables and inventory — a trend that would need to reverse to validate the profitability improvement as sustainable.
- Absolute debt remains sizeable (~₹1,010.94 Cr in borrowings) even after improvement in the Debt/Equity ratio.
- GMP has been volatile (from ₹0 to as high as ₹64, now around ₹50), reflecting some uncertainty in market sentiment rather than one-directional conviction.
- The company is a first-time public entity (converted to a public limited company only in December 2024) with concentrated promoter holding pre-IPO and a modest ~0.27% share of India's crude steel production.

Suitability – Target Investor Types

Investor Profile	Suitability
Retail investors seeking listing-day gains	Suitable with caution — double-digit GMP suggests a plausible listing pop, but GMP has been volatile through the run-up
Long-term, value-oriented equity investors	Suitable — the valuation discount to peers and genuine operating improvement offer a reasonable long-term entry point, provided cyclicality is well understood
Conservative / risk-averse investors	Suitable with caution — thin historical margins and a cyclical, commodity-linked business model warrant a smaller position size
Institutional / QIB investors with sector expertise	Suitable — well positioned to independently assess cash-flow quality, capacity utilisation trends and the durability of FY26 margin gains

Overall View: A-One Steels enters the market with a credible, largely operational FY26 turnaround — improved EBITDA margins, a much healthier balance sheet, and a valuation that sits at a meaningful discount to its disclosed listed peers. This is a materially more constructive setup than issues where profit growth is driven chiefly by one-off items or debt-funded related-party deals. That said, the steel business remains inherently cyclical, historical margins have been thin, and FY26's profit improvement has not yet been matched by comparable operating cash flow, given rising receivables and inventory. We rate this issue SUBSCRIBE for investors with a long-term horizon and tolerance for sector cyclicality, while flagging that this is not a risk-free “sure thing” — position sizing and monitoring of subsequent quarters' cash generation are advisable.

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