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Techno Economic Viability Report

Stainless Steel Seamless Pipes Unit at

Panchmahal, Gujarat

Rajputana Stainless Limited

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Executive Summary

Name of the Entity	Rajputana Stainless Limited
Date of Incorporation	2nd April, 1991
Constitution	Company Limited by Shares
CIN	U27109GJ1991PLC015331
Industry	Stainless Steel bars
Registered Office Address	213, Madhwas, Halol Kalol Road Kalol, Panchmahal, Gujarat, India, 389330
Nature of activity (Existing)	Manufacturing of - Billets - Forging ingots, - Rolled black bar, - Rolled bright bar, - Flat & patti - Other ancillary products
Nature of activity (Proposed)	• Manufacturing Stainless Steel (SS) seamless pipes
Promoters of Rajputana Stainless Limited	1. Mr. Shankarlal Deepchand Mehta 2. Mr. Babulal Deepchand Mehta 3. Mr. Jayesh Natvarlal Pithva 4. Mr. Yashkumar Shankarlal Mehta
Brief details of the Project	Rajputana Stainless Limited (hereafter referred to as 'the Company' or 'RSL') proposes to set up a new unit for manufacturing stainless steel (SS) seamless pipes (hereafter referred to as 'the Project') at Panchmahal in Gujrat. Rajputana Stainless Limited already has a plant located in Gujrat where it manufactures - billets, forging ingots, rolled black bar, rolled bright bar, flat & patti and other ancillary products. The Company intends to start commercial operation from April 1, 2026 (1st quarter of FY2027) considering 12 months of construction post financial closure, during March 2025. Stainless steel seamless pipes are manufactured through a process involving hot extrusion or piercing of Rolled Round Bar. D&B India has been appointed for conducting assessment of the proposed project of RSL on standalone basis, as part of this Techno Economic Viability Report (TEV).
The Capacity	9,600 MTPA
Estimated project cost	Basic cost: INR 56.00 Cr GST on Basic cost: INR 3.24 Cr Total Cost: INR 59.23 Cr
Proposed DE ratio	0:1
Proposed Term Loan	INR 0 Cr
Internal Accruals/ promoter Funding	INR 3.24 Cr

IPO Proceeds	INR 56.00 Cr
Project Viability	**Yes** *Subject assessment as detailed in the report and mitigation of risks associated with the project, critical success factors and limiting conditions as mentioned in the report.*

Company Profile

Rajputana Stainless Limited was incorporated on 2nd April 1991 as an unlisted public limited company and is located in Panchmahal, Gujarat.

The Proposed Project

The Company proposes to manufacture SS seamless pipe at the proposed location. The Company intends to start commercial operation from April 1, 2026 (1st quarter of FY2027) considering 12 months of construction post financial closure during March 2025. Stainless steel seamless pipes are manufactured through a process involving hot extrusion or piercing of solid Rolled round bars followed by elongation and rolling to achieve the desired dimensions and properties.

Project Cost

The total project cost as estimated by the Company is ~INR 59.23 Cr. The details are given as under:

(all values INR Cr)

Particulars	Basic Cost	GST	Total Cost with GST
Land Cost	-	-	-
Civil & Structural Work, Site Development	5.75	1.04	6.79
Plant & Equipment & Utilities	9.34	1.62	10.96
Misc. Fixed Assets	1.05	0.19	1.24
Total Hard Cost	**16.14**	**2.85**	**18.99**
Contingency	0.56	0.10	0.66
Pre-operative Expenses	1.61	0.29	1.90
IDC	-	-	-
Total Soft Cost	**2.17**	**0.39**	**2.56**
Working Capital Funding	37.68		37.68
Total Project Cost	**56.00**	**3.24**	**59.23**

Source: RSL & D&B-India Assessment

Means of Finance

The proposed debt to equity ratio is 0:1, since the project is planned to be funded through an IPO. The proposed funding is as under:

(all values in INR Cr)

Particulars	Basic Cost	GST	Total Cost with GST
IPO Proceeds	56.00		56.00
Internal Accruals/ Promoter Funds		3.24	3.24
Total Equity	**56.00**	**3.24**	**59.23**
Debt	-	-	-
Total Project Cost	**56.00**	**3.24**	**59.23**

Source: RSL & D&B-India Assessment

Financial Highlights

D&B India has analyzed the proposed Project on standalone basis. The profit and loss statement, the cash flow statement and the balance sheet for the proposed Project on a standalone basis are prepared & validated by D&B India based on data provided by the Company, prevailing industry standards and internal database of D&B.

Particulars	Projected

	FY27	FY28	FY29	FY30	FY31
Net Revenue	156.85	263.12	286.10	318.69	321.12
% Growth	**0.00%**	**67.75%**	**8.73%**	**11.39%**	**0.76%**
EBITDA	10.06	20.54	22.08	24.43	24.46
EBITDA Margin	**6.41%**	**7.81%**	**7.72%**	**7.67%**	**7.62%**
Net Profit	6.53	14.29	15.37	17.07	17.03
Net Profit Margin	**4.16%**	**5.43%**	**5.37%**	**5.36%**	**5.30%**
Contribution	16.57	26.91	28.94	31.98	32.09
Contribution Margin	**10.57%**	**10.23%**	**10.12%**	**10.03%**	**9.99%**
Break-Even Sales	76.89	78.00	83.71	91.23	92.45
Share Capital (Incl. IPO Proceeds)	56.00	56.00	56.00	56.00	56.00
Reserves and Surplus	6.53	20.81	36.18	53.25	70.28
Total Net Worth (TNW)	**62.52**	**76.81**	**92.18**	**109.25**	**126.28**
Unsecured Loan	-	-	-	-	-
TNW + Unsecured Loan	62.52	76.81	92.18	109.25	126.28
Secured Loan	-	-	-	-	-
Debt-Equity Ratio	**-**	**-**	**-**	**-**	**-**
Cash / Bank Balance	9.95	0.13	12.41	23.41	41.74
IRR	38.34%				
COC	16.00%				
Gap between IRR and CoC	22.34%				

Source: D&B-India Assessment

The proposed Project (standalone) can generate a revenue ~INR 321.12 Cr (FY31) in the years wherein operations are stabilized. Correspondingly EBITDA is ~INR 24.46 Cr. The EBITDA margin is estimated to be ~7.62%. As per industry standards this is acceptable.

The EBITDA / cash generated from the operation is enough to provide sufficient coverage for the Investment. The IRR is above the cost of capital of the Company, indicating satisfactory return and value addition to the Company.

Risk Analysis and Mitigation

The risk analysis, allocation and mitigation are shown in the following table:

Risk	Carrier	Mitigation Measure
Experience and capability	RSL	The promoters and management of the Company has been involved in manufacturing of metal products for collective experience of 5 decades and have ample experience and capability in the domain. At present, RSL is engaged in billets, forging ingots, rolled black bar, rolled bright bar, flat & patti and other ancillary products. The promoters of the Company are experienced in this industry and have been successfully operating the existing units at an average EBITDA of Nearly 4.5% for past 2-3 Years. They possess the necessary technical skills to establish and operate the proposed unit as well as market its final products (different variants of SS seamless pipes). Furthermore, they are supported by a capable and experienced management team that oversees day-to-day operations.
Time overrun	RSL	As informed by Company the land available at existing plant is sufficient for the proposed plant. The Company has provided general layout for the existing unit without specific dimensions, also the Layout for proposed facility is provided. Based on the visual inspection of site during visit the proposed land is considered to be adequate for proposed facility.

Risk	Carrier	Mitigation Measure
		The Company is in process of selecting the civil contractor and enter into agreement to firm up the civil cost and to avoid any cost escalation at a later stage. The Company has received budgetary quotations & estimates for the major equipment from Contractor. The Company has assigned M/s Industrial Furnace Consultant to establish the proposed mill. However overall installation & Commissioning of the project will be done by Company Internal team lead by Mr. Yash Mehta. As per the implementation schedule, the Company proposes to complete the project by March 2026 and the commercial operations is slated to begin from 1st April 2026. The Company has planned to implement the project in a period of 12 months from March 2025 (financial closure). The Company should be able to meet these timelines subject to timely entering into required contracts as well as continuous monitoring of delivery schedules of major machineries. D&B India recommends the Company to properly monitor and supervise the critical activities for timely completion of the project.
Cost overrun	RSL	Cost overrun could arise on account of three principal factors: a) escalation in the estimated capital cost, b) unforeseen additional capital cost and c) time over-run D&B India notes that the cost estimates are at preliminary stage and The Company has received budgetary quotations & estimates for the major equipment from Contractor. The Project cost envisaged has covered all the major heads, but still some modifications during implementation are expected. However, if the project gets delayed due to unforeseen circumstances, there is a chance of escalation and same may cause cost overrun. Here, 3.50% contingency provision (for Project hard cost, excluding land cost) has been considered in the Capex to mitigate part of the cost overrun. In case of any overrun above the same due to any unforeseen circumstances or substantial delay, the promoters to meet the cost over-run out of IPO Proceeds.
Statutory approvals	RSL	D&B India notes that RSL will start applying for various approvals post financial closure. The Company has assured D&B India, that all relevant approvals would be obtained in due course. The promoters and management of the Company has been involved in manufacturing of Stainless Steel for collective experience of 5 decades and have ample experience and capability in the domain, the Company has the understanding of the procedural aspects, which would help in obtaining relevant approvals.

Risk	Carrier	Mitigation Measure
Offtake risk / demand risk	RSL	Annual production of stainless steel increased from 55.25 Mn Tons in 2022 to 58.44 Mn Tons in 2023. The global steel pipe market is estimated to be $ 95 billion and is expected to grow by 4% CAGR over the next 3 years. Globally, the Oil & Gas sector is the largest consumer of steel pipes and tubes. Key drivers of thew steel include include the 'Make in India' campaign, PLI Schemes for specialty steel, and the Smart Cities Mission, which amplify demand in construction, automotive, and infrastructure sectors. The global Seamless Stainless-Steel Pipes and Tubes market size was USD 4900 million or approximately 13,72,000 MT in 2023. The Indian steel pipe market is estimated to be INR 60,000-65,000 Crore and is 8-9% of the global steel pipe market. The Indian Seamless Stainless Steel Pipes and Tubes market size was USD 441 million or approximately 1,77,821 MT in 2023. Steel pipe and tube production has generally increased over the years, with significant jumps in 2019-20, 2022-23, and 2023-24. The Production nearly doubled from 43,59,510 MT in 2011-12 to 96,77,300 MT in 2023-24. Import volumes have fluctuated over the years, peaking at 8,83,164 MT in 2018-19. There was a notable decrease in imports during 2020-21, possibly due to the global pandemic, followed by a gradual increase in subsequent years. Export volumes have shown considerable variation. They peaked at 19,29,093 MT in 2012-13 and hit a low of 9,88,792 MT in 2020-21. There's been a recovery in exports since then, reaching 15,82,800 MT in 2023-24. Overall consumption has trended upward, more than doubling from 33,01,829 MT in 2011-12 to 87,90,586 MT in 2023-24. This suggests growing domestic demand for steel pipes and tubes. Seamless Pipes and Tubes (Alloy + SS) consistently represents 7% of the total consumption throughout the entire period. Seamless - Stainless Steel makes up approximately 35% of the Seamless (Alloy + SS) category across all years. The consumption of stainless-steel seamless pipes and tubes has grown from 80,626 MT in 2011-12 to 2,14,654 MT in 2023-24, aligning with the overall growth in consumption. India's strategic position under the China +1 strategy enhances its role as a global stainless steel supplier, driven by competitive costs and robust export infrastructure. Austenitic stainless steel dominates with 72.7% of market share in 2024, catering to

Risk	Carrier	Mitigation Measure
		diverse industrial needs. Companies like Jindal Stainless are securing raw material sources, such as nickel from Indonesia, reducing dependence on China. These factors position India to capitalize on shifting global supply chains while mitigating risks of raw material price volatility. The Company may opt to sell the intermediate product i.e. mother pipes/ tubes to various companies engaged in pilgering of mother tubes. This will widen the market for the company as it will increase it's product portfolio and hence customer base. This will further help in mitigating the offtake risk.
Raw material availability & prices	RSL	The Company proposes to procure the required quantity of raw materials i.e. (Rolled round Bars) from the existing facility. The prices of raw material are very volatile. However, the industry usually passes-on the changes in raw material prices to the customers. The Company might face short-term challenges in case raw material prices become highly volatile over a limited period.
Operational risk	RSL	The proposed site has good connectivity via roads and railways. However, since the site is landlocked, the Company relies on nearby ports, Pipavav, Dahej, Magdalla(near Surat) for both imports and exports. The Company has assigned M/s Industrial Furnace Consultant to establish the proposed mill. However overall installation & Commissioning of the project will be done by Company Internal team lead by Mr. Yash Mehta. The promoters propose to recruit experienced & well qualified personnel for day-to-day operation and management of the project. Skilled and unskilled labors will be available locally. The unit is not expected to face challenges in hiring skilled & unskilled manpower.
Government policies	RSL	The steel industry is a strictly regulated sector, as it is high carbon emitting in nature. The Company needs to follow all the guidelines stipulated by the Government of India. The Company must adhere to standard operating procedures (SOPs) and implement preventive measures to minimize environmental pollution.
Pricing level and sustainability	RSL	The steel industry is characterized by high volatility in the prices of inputs and finished products. Though the prices of the finished products tend to move in tandem with the input prices, there is an impact on the operating margins of the industry (in the short term).

Risk	Carrier	Mitigation Measure
		However, majority of the Company's products will be made to order and hence, the Company should follow the process of back-to-back booking of raw material thereby reducing the risk. Further, the Company should focus on more value-added products and applications, with better margins, thereby further mitigating the risk. The same has been captured in terms of sensitivity analysis, where it can be seen that even with a fall of 5% in price levels, the project IRR Remains above 10%.
Competition risk	RSL	The present market is dominated by 4 players with Ratnamani Metals & Tubes Limited having the highest market share & capacity. There is a large import substitution market available. The new capex will enable RSL to explore untapped opportunities in defense, aerospace, nuclear energy, and high diameter SS tubes/pipes in refineries and power plants. With a proposed large capacity of 9600 TPA with hot piercing facilities for stainless steel seamless tubes/pipes, the Focus on quality product, timely delivery and catering to niche markets are the ways to mitigate the risk.
Forex fluctuation	RSL	The Company is planning to import major plant and machinery through EPC contractpr which exposes it to foreign exchange fluctuation risk. It should take adequate forward cover to mitigate the same.
Force majeure	RSL/Insurer	The company may be advised to take adequate insurance cover for insurable force majeure risks from time to time.

SWOT Analysis

Strength

- The promoters of the Company have the necessary resources, experience and expertise to execute such a project.
- The site enjoys an advantage of being well located through roads and rail network.
- The primary raw material, Rolled Round Bars, for the project will be sourced from RSL's existing facility located within the same periphery reducing the transport cost which enables positive impact on margins. This also ensures steady supply of raw materials.
- The project proposes to manufacture mother hollow pipes in-house, creating strong competitive advantage. Most of the players import mother hollow pipes.

Weakness

- Due to the volatility in raw material prices, the profitability of the Company, in absolute terms, is vulnerable.
- Any new player entering this industry will have to invest considerable time and capital to develop products, that meet the customer standards.
- Demand for steel tubes and pipes depends on end-user industries engineering, aerospace, forging, oil and gas, pump and shaft, defense automotive, aviation, precision engineering, etc. Any slowdown in these segments could weaken demand for the products, thereby affecting the Company's operating performance. Company should focus on diversified products and non-dependence on a single end-user industry.

Opportunity
• With higher diameter, different lengths, such as ferritic, super duplex & nickel alloy grades, opens a host of opportunities in sectors such as engineering, aerospace, forging, oil and gas, pump and shaft, defense automotive, aviation, precision engineering, etc.
Threats
• The business is cyclical in nature as it entirely depends on the investment momentum in the underlying sectors • Even though, presently there is good potential in the domestic market, there could be increased competition in case global players decide to invest in state-of-the-art facilities in India and existing players decide to expand • The project may also be affected by the general threat of economic slowdown. • Change in government and other regulatory bodies' policies may impact the industry.

Conclusion

Please refer to page no 118 of the report.

Main Report

Scope of Work

D&B India has been appointed by RSL for conducting a Techno Economic Viability Study (TEV) assessment of the Project through a detailed techno financial analysis of the proposed venture of setting up of a manufacturing facility of 9,600 MTPA of stainless-steel seamless pipe, evaluation of the constraints and future potential for setting up the unit.

The scope of work undertaken by D&B for the study is as under:

- D&B-India visited the proposed manufacturing facility at 213, Madhwas, Halol Kalol Road, Kalol, Panchmahal, Gujarat, India and undertook technical assessment of its existing as well as proposed expansion facilities.
- Undertook vetting of the projected financials/assumptions/EBITDA considerations by the company, acceptability of estimated revenue generation, cash accruals and projected financials of the existing Company on a standalone basis and its relevance in present day scenario.
- Commented on assumptions taken by the Company in line with market condition.
- Assessment of other financial parameters and viability to see that investment is serviced, considering the present economic scenario.
- Commented on identified risks and its mitigation.
- Various tools, such as debt service coverage ratio, adjusted debt service coverage ratio, IRR, sensitivity analysis will be used to arrive at a conclusion on the viability of the Project.

Assessing the proposal from a technical feasibility and economic viability point of view.

Date of Inspection

For the purpose of collecting first-hand information and to understand the firm's operations, a team from D&B-India conducted a management discussion with the entity's key executives. The site visit of the proposed unit was conducted by D&B team on 29th June 2024. Team from D&B-India has physically observed key aspects such as site condition, approach and utilities etc. D&B-India also received the Google coordinates of the site and the basis the same the location has been analyzed physically on site.

Team of Consultants

The team of consultants from D&B India associated for the execution of the study include the following:

- **Ms. Mohana** has completed her PGDBM for XISS, Ranchi in financial management and has 14 years of experience in management consulting. She excels at transforming project visions and goals into tangible outcomes that meets client expectations. Her expertise spans various domains such as manufacturing, healthcare, oil and gas, city gas distribution, power (thermal and hydel), renewables (solar and wind), industrial products, hospitality, chemicals, metals and minerals and urban infrastructure development. She has hands-on experience in techno-commercial viability studies, feasibility studies, due-diligence studies, appraisal studies, business planning, redevelopment studies (Public Private Partnership), econometric modelling and research, project conceptualization, bid advisory and business case development.
- **Mr. Kallol Debnath** has completed Bachelor of Technology in Mechanical in 2005 from Kalinga Institute Technology and Science and Management in Business Administration in Finance in 2008. He has over 12

years work experience and 10 years of relevant experience in project appraisal and techno-economic viability studies. Involved in the capacity of lead consultant & project manager for techno-economic feasibility study under S4A Scheme, Corporate Debt and Business Restructuring of various companies in the Steel, Textile, Construction, Real Estate, Sugars, Hospitality and other allied sectors

- **Mr. Nikhil Ramane** – holds a bachelor's degree in Electronics Engineering and MBA Finance. Work experience in Corporate finance & operations division, Financial Feasibility and Management Consultancy. Professional work experience with Bharati Shipyard, Chandra Proteco Limited and Dun and Bradstreet Tangram in past 12 years. Domain area includes Cost analysis, financial appraisal preparations, Take-over & mergers financials and technical assessment, Restructuring package preparation. The sectors which have extensively work are Copper, steel & ferrochrome metals, Brewery & Distillery, Power and Paper etc.
- **Mr. Swapnil A Bhatkar** - holds a bachelor's degree in Mechanical Engineering and MBA Finance. Work experience in Plant Design, Financial Feasibility and Management Consultancy. Professional work experience with Thyssenkrupp Gmbh, Mott Macdonald and Dun and Bradstreet Tangram in past 15 years. Domain area include Plant design, Cost Analysis, Production Bottlenecks and Business Process Reengineering (BPR). The sectors which have extensively work are steel, pharmaceutical, Metals and Auto ancillaries.

Mr. Anurag Barot Senior Strategic Sales Leader	
Mr. Kallol Debnath Associate Director Operations	DebnathK

Methodology

The TEV preparation assigned to D&B-India was carried out in the following sequence:

1. Verification of the documents provided / information submitted by the Company, identification of missing information, and seeking the revised list of documents required from the Company.
2. Detailed secondary market assessment to gauge the demand supply scenario of the products and to understand the industry specific benchmarks.
3. The technical assessment comprised review of the manufacturing process, machinery, construction related aspects, utilities, statutory compliances and such details.
4. Assessment of reasonableness of revenue generation from existing units and its operation expenditure.
5. Vetting of financial projections.
6. Assessing the company's viability with financial analysis techniques like internal rate of return, breakeven analysis and sensitivity analysis.
7. To carry out sensitivity analysis & SWOT analysis and to identify risks & its mitigation pertaining to the project
8. Compilation of information collected, and the analysis carried out in the form of this report.

Background of the Company

Rajputana stainless limited is a prominent player in the stainless-steel industry in India the company specializes in the manufacture of stainless steel seamless pipes and tubes catering primarily to industrial and infrastructure sectors both domestically and internationally.

Rajputana Stainless Limited offers a diverse product portfolio focused on stainless steel seamless pipes and tubes such as; billets, forging ingots, rolled black bar, rolled bright bar, flat & patti and other ancillary products. The Company proposes to manufacture the stainless-steel seamless pipes facility at the proposed location. The Company intends to start commercial operation from April 1, 2026 (1st quarter of FY2027) considering 12 months of construction post financial closure during March 2025. Stainless steel seamless pipes are manufactured through a process involving hot extrusion or piercing of solid Rolled Round Bars followed by elongation and rolling to achieve the desired dimensions and properties.

Table 1: Company Snapshot

Name of the Entity	Rajputana Stainless Limited
Date of Incorporation	2nd April, 1991
Constitution	Company Limited by Shares
Industry	Stainless Steel
Registered Office Address	213, Madhwas, Halol Kalol Road Kalol, Panchmahal, Gujarat, India, 389330

Rajputana Stainless Limited was incorporated on 2nd April 1991 as an unlisted public limited company and is located in Panchmahal, Gujarat .

Timeline	
Year	**Particular**
1991	Rajputana Stainless Limited was Established
1993	Started with Commercial Production
2008	Addition of Induction Furnace & AOD of 10 Ton withh fully automatic Caster
2010	Commencement of 18 Rolling Mill
2011	Commencement of the art Bright Bars Unit
2013	Upgraded the Capacity to 20000 MT
2015	Started Oxygen & Nitrogen Manufacturing Plant
2018	Upgrading the Capacity to 36000 MT
2021	Upgraded the Capacity to 48000 MT

Product Profile of RSL

Round bright bars: Rajputana Stainless Limited manufactures bright bars with superior weldability and machinability properties, ideal for precision machining and robust structural construction. They offer a versatile size range of products from 5 mm to 105 mm, up to 8 meters in length, with various cold drawn options, precise tolerances, good-quality surface finishes, and customizable heat treatments.

Square bars: Rajputana Stainless Limited crafts square bright bars from hot-rolled bars, enhancing mechanical attributes through cold drawing and polishing for precise dimensions and flawless surface finish. With sizes ranging from 12.70 mm to 70 mm and lengths up to 6 meters, the bars meet ASTM, EN offering customized grit polish and heat treatments. Each bar is verified through PMI testing, ensuring compliance with international quality benchmarks and safety standards, free from radioactive elements and contaminants like mercury and lead.

Hexagonal bright bars: The Company specializes in manufacturing bright-drawn stainless steel bars and hexagonal bright bars, known for their high strength and corrosion resistance. These bars, available in sizes from 14 mm to 63 mm and lengths up to 6 meters, meet h11, k12, and k13 tolerance standards. They can be customized with grit polishing and undergo rigorous heat treatment processes, including solution annealing, quenching, and tempering. The bars are finished with chamfered or plain ends and conform to international standards like EN, DIN, JIS, ASTM, BS, ASME, and AISI. Their versatile utility makes them suitable for applications in manufacturing nuts, valves, hose ends, fasteners, and hex bolts, with grade verification through PMI testing ensuring quality and safety.

HRAP flat bars: The production of HRAP (Hot Rolled and Annealed Pickled) flat bars involves hot rolling, solution annealing, and pickling to ensure high quality and exceptional corrosion resistance. These flat bars are available in widths from 22 mm to 150 mm, thicknesses from 5 mm to 50 mm, and lengths up to 6.4 meters. Company meets stringent tolerances per ASTM A484 and EN 10058 standards, with color-coded ends for easy identification. Compliant with international standards like EN, DIN, JIS, ASTM, BS, ASME, and AISI, these bars find applications in industries such as chemical, pharmaceutical, architectural, structural design, and more. The flat bars are ideal for use in kitchen equipment, fuel gas cleaning, seawater systems, firewalls, blast walls, heat exchangers, bridges, and cargo tanks.

Round cornered squares: Hot Rolled Round Cornered Squares (RCS) are crafted to be free from surface defects and cracks, offering a uniform internal structure essential for drop-forged automotive components. Featuring a radius edge, these squares enhance safety and meet stringent forging standards, ideal for creating flanges and fittings. Available in sizes 63 RCS, 75 RCS, 95 RCS, and 100 RCS, with lengths up to 8 meters, they are hot rolled for a durable finish.

Hot rolled round bars: The Company produces hot-rolled round bars. These bars come in sizes from 16 mm to 105 mm and lengths up to 8 meters, adhering to ASTM A484 and EN10060 standards for precise dimensions. The bars feature a hot-rolled (black) surface and undergo 100% ultrasonic testing for quality assurance. They are available in spot ground or fully ground conditions and are cold-swapped for flexible processing. Comprehensive heat treatment options, including various forms of annealing, quenching, tempering, and normalizing, ensure tailored material properties, with grade verification via PMI testing for the highest quality standards.

Precision shaft quality bars: These bars undergo dimensional control mechanisms, ensuring consistent mechanical and chemical properties tailored to specific customer requirements. Quality assurance includes sizes from 12.5 mm to 100 mm, lengths up to 6.4 meters, tolerances of h7, h8, h9, j6, f7, f8, straightness of 0.015" TIR per 10 ft., and heat treatments like soft annealing, solution annealing, and quench & tempered. The bars feature rigorous dimensional control, sound machinability, ultrasonic flaw inspection, and superior packaging. Widely used in industries for pump shafting, cylinder shafts, boat shafts, piston shafts, valve shafts, and bearing bars, they are verified through PMI testing to ensure no radioactive elements, mercury, or lead contamination.

Forged & proof machined bars: This intricate forging process involves hammer blows, often using a power hammer or die, to shape the steel, enhanced by heating in a furnace. Despite higher costs compared to rolled products, forged bars offer unmatched physical properties, especially valuable for larger sizes. Available in sizes from 170 mm to 550 mm and lengths up to 6 meters, these bars conform to ASTM A484 and EN10060 standards for precision. Heat treatment options include soft annealing, solution annealing, normalizing, and quenching & tempering.

Precipitation hardening steel: Precipitation hardening stainless steels, like the 17-4 PH (Grade 630), combines the strengths of Martensitic and Austenitic grades. These steels are available in a "solution-treated" state for easy machinability, with strength enhanced through a single, low-temperature heat treatment. Conforming to standards such as AMS5642, DIN/EN10088-3, AMS 5622, and ASTM A564, they cater to industries like oil, gas, power, offshore, chemical, nuclear, food, aerospace, pulp and paper, and high-pressure pump and valve components.

Key Markets

RSL has positioned itself to bid for almost all pipe projects across the world. It has supplied its line pipe products in domestic as well as international markets mainly in UAE, USA, Turkey, Poland and among others.

Key Suppliers & Customers

Key Suppliers

RSL proposes to procure the raw material required for manufacturing of stainless-steel seamless pipes from existing facility available in same premises. As informed by company access SS, MS and alloy steel bars are of the capacity of 37,894 MTPA and bright Bars production is of 6,100 MTPA which is the primary raw material. As per the date provided by Company the rolled black bar production for FY 24 was around 26,941 MTPA and rolled bright bar production is 4,790 MTPA. However, as per the estimated projections the maximum raw material requirement at higher capacity utilisation is around 9,200 MTPA which implies sufficient raw material from existing unit.

Key Customers

RSL supplies its products in domestic and international market, to Government/ Public entities as well as private players who are engaged in manufacturing and creating infrastructure for transportation of crude oil, gas, petrochemical products and potable water, etc.

Promoters & Directors of RSL

RSL's day to day operations are overseen by the promoters & Directors. The details of the same are as follows:

Name	Designation	Experience and Qualifications
Mr. Jayesh Natvarlal Pithva	Promoter and Director	Mr. Pithwa has been active in the steel industry for 17 years, utilizing his knowledge and foresight to navigate its fast-paced environment. His leadership has contributed to the survival and long-term success of his ventures.
Mr. Shankarlal Deepchand Mehta	Chairman And Mangening Director	Shankarlal Mehta began his journey in the steel industry over 24 years ago and has expertise in Stainless steel industry.
Mr. Babulal Deepchand Mehta	Whole-Time Director	Mr. Babulal Deepchand Mehta has over 25 years of service in the steel industry. His career includes twenty-five years

Name	Designation	Experience and Qualifications
		of leadership in manufacturing at Rajputana Stainless Limited.
Mr. Yashkumar Shankarlal Mehta	CEO	Mr. Yashkumar Shankarlal Mehta completed his Bachelor's in Business Administration from Navrachna University Vadodara. He has developed his skills over 7 years in the steel industry, demonstrating expertise in various areas.
Mr. Prashant Bharatkumar Patel	Director	Mr. Prashant Bharatkumar Patel completed his Masters of Commerce and Bachelors of Law. He has been practicing as a company secretary for 10 years and he has more than 17 years of professional experience. His areas of expertise include corporate, secretarial & compliance advisory.
Mr. Kushal Kamlesh Bhramkshatriya	Director	Mr. Kushal Kamlesh Bhramkshatriya completed his Masters in Commerce (Finance) from University of Gujarat and is also a qualified chartered accountant. He has over 10 years of experience in the fields of audit and taxation.
Mrs. Nikita Ronak Mehta	Director	**Mrs. Nikita Ronak Mehta completed her LLB from Motilal** Nehru College and Bachelor of Commerce from the Gujarat University and is also a qualified company secretary. She has over 5 years of professional experience in the field of secretarial compliance.

Key Managerial Personnel

The key managerial Data is as follows,

Name	Designation	Experience and Qualifications
Mr. Yashkumar Shankarlal Mehta	CEO	Mr. Yashkumar Shankarlal Mehta completed his Bachelor's in Business Administration from Navrachna University Vadodara. He has developed his skills over 7 years in the steel industry, demonstrating expertise in various areas.
Richa Sanjeev Prashar	Company Secretary	Richa Sanjeev Prashar is the Company Secretary and Compliance Officer of our Company. She has been working with Company since March 6, 2020. She is an associate of the Institute of Company Secretaries of India. She has more than 21 years of experience in the field of legal and secretarial compliances. Her roles and responsibilities includes to ensure compliance with regulations, accurate filings under SEBI Listing Rules, coordination with authorities, and monitoring of investor grievance redressal.
Ambrish Bedade	CFO	Ambrish Bedade is the CFO of the Company. He has been associated with the Company since February 02, 2020 as the Accounts Head. He was appointed as the CFO of the Company on August 1, 2024. He completed his Post-

		Graduate Diploma in Industrial Relations and Personnel Management from the Bhavan's Rajendra Prasad Institute of Communication & Management. He has completed his degree in Bachelor of Commerce from University of Baroda. He has previously worked with organsiation such as Philips Glass India Limited, S.E. Power Limited and has more than 29 years of experience.

Shareholding Pattern

The shareholding pattern of the RSL as on 30th November 2024 is as follows:

Sr. No	Name of Shareholder	No of Shares	% of Holdings
1	Shankarlal Deepchand Mehta	3,63,14,500	52.69%
2	Babulal Deepchand Mehta	54,01,226	7.84%
3	Jayesh Natvarlal Pithva	37,98,914	5.51%
4	Promoter Group Shareholding	83,90,400	12.17%
5	Public Shareholding	1,50,12,618	21.79%
	Total	6,89,17,658	100%
Source: D&B India			

Group Companies

The brief snapshot of group Companies as follows:

Sr. No.	Name of Group Company	Nature of Business Activity	Date of Incorporation	Registered Address of the Entity
1	Steel Icon Stainless Private Limited	Metal Trading	5-Dec-20	Shop No 2, Plot 16/18, Sharddhanand Niwas, Khetwadi 6th Lane, Girgaon, Mumbai City, Mumbai – 400 004 Maharashtra, India
2	Rutvij Stainless Private Limited	Metal Trading	30-Oct-17	Tf-06 Megamall Akotaroad Old Ambica Mill Compound, Village Vadodara(M Corpog), Vadodara, Gujarat, India, 390020
3	Bhansali Bright Bars Private Limited	Bright Bar processing unit	29-Oct-90	150 Nanubhaidesai Road, Mumbai City, Mumbai – 400 004 Maharashtra, India
4	Steel Inox Private Limited	Metal Trading	10-Aug-21	A-2902, Floor-29th, Plot-370, A-Wing, Shreepati Jewels Tatya Gharpure Marg, Pimpalwadi, Girgaon, Mumbai City, Mumbai – 400 004, Maharashtra, India
5	Ventana Speciality Private Limited	trading and manufacturing of metals	18-Mar-21	at Survey No.268, Village Ghantiyal, Samlaya Chandrapura Road, Taluka Savli, Vadodara, Vadodara – 391 510 Gujarat, India

Source: Company

Historical Financials

The historical financial performance of RSL on standalone basis is given in table below:

Particulars	Unit	FY 2021-22 Audited	FY 2022-23 Audited	FY 2023-24 Audited
Total Income	INR Crore	771.70	950.69	915.50
EBITDA	INR Crore	32.04	46.86	65.11
EBITDA margin	%	4.15	4.92	7.11
PAT	INR Crore	8.32	24.04	31.62
PAT Margin	%	1.08	2.53	3.45
Share Capital	INR Crore	34.46	34.46	34.46
Reserves & Surplus	INR Crore	36.25	46.71	77.81
Total Net Worth	INR Crore	290.79	81.17	112.27
Gross Fixed Assets	INR Crore	114.49	118.94	144.99
Current Assets	INR Crore	223.51	223.16	252.24
Current Liabilities	INR Crore	176.98	171.19	182.73
Current Ratio	X Times	1.26	1.30	1.38
Source: RSL				

The above historical figures of RSL indicates healthy financial position over the years.

Project Details

The Company proposes to manufacture the stainless-steel seamless pipes facility at the proposed location. The Company intends to start commercial operation from April 1, 2026 (1st quarter of FY2027) considering 12 months of construction post financial closure during March 2025. Stainless steel seamless pipes are manufactured through a process involving hot extrusion or piercing of solid Round rolled Bars followed by elongation and rolling to achieve the desired dimensions and properties.

Application of the Product:

- General tubes & pipes, process furnace tubes, instrumentation tubes, heat exchanger tubes, Boiler tubes,
- Seamless mother tubes further processed by pilgering and/or drawing, also have application in various other industries.

Proposed Project

The Company proposes set up manufacturing stainless steel seamless mother hollow and finished pipes plant at Panchmahal in Gujarat. The plant is also close to National Highways for catering to domestic markets.

Products

SS (stainless steel) seamless pipes

Hollow Pipes

The Company proposes set up a unit for manufacturing stainless steel seamless pipes and hollow pipes plant at Panchmahal in Gujarat.

Application:

- General tubes & pipes
- Process furnace tubes
- Instrumentation tubes
- Heat exchanger tubes
- Boiler tubes

Seamless mother tubes further processed by pilgering process, finds application in various other industries including industrial and non-industrial usage.

Product Rationale

Overall demand overview,

- Seamless pipes are manufactured using Piercing and others processes such as pilgering, drawing.
- Close to 18,000 MT extruded pipes were imported from China last year. Currently there is import restriction via government imposition of duties such as high import tariffs where tariffs of upto 30% have been place on import of steel from China and Anti Dumping Duty which specifies duty has been imposed on specific types of steel from China.

SS tubes and pipes are preferred owing to various reasons such as –

- Resistance to corrosion and oxidation, resistance to high temperatures
- Cleanliness and low maintenance costs
- The materials that come into contact with SS tubes and pipes experience zero contamination due to their nearly inert chemical properties.

Due to the above factors, the Company is envisaging consistent demand for SS seamless tubes from both domestic as well as export markets; hence the Company has decided to set up a stainless steel seamless pipes manufacturing unit.

Technical Assessment

Rajputana stainless limited is a prominent player in the stainless steel industry in India the company specializes in the manufacture of stainless steel seamless pipes and tubes catering primarily to industrial and infrastructure sectors both domestically and internationally.

Rajputana Stainless Limited offers a diverse Product Portfolio Focused on Stainless steel seamless pipes and tubes such billets, forging ingots, rolled black bar, rolled bright bar, flat & patti and other ancillary products.

Plant Location

The proposed pipe plant site is located at Halol Kalol Road Kalol, Panchmahal, in Gujarat.

Figure 1: Location of Plant

Source: Google Maps

The plant is also close to National Express Highways for catering to domestic markets.

Connectivity to Panchmahal is depicted in following map:

Nearest City	Vadodara – 50.7 km
Nearest Railway Station	Bakrol Railway Station – 5.9 km, Vadodara Railway station, 50.7 km
Nearest Port	Dahej Port, 177 km and Hazira, 220 km Varnama ICD – 60 kms
Nearest Airport	Vadodara Airport, 45.2 Km
Nearest highway	State Highway NH 148N - 0 KM

Utilities details are as under:

Sources of water	The Company plans for borewell water extraction to suffice the water requirements.

Source of purchased power	Electricity for the plant would be available from the Madhya Gujarat Vij Company Limited. Presently RSL has contract demand of 6000 KVAH through 66 KV connection for existing facility. Company proposes to use the same for the additional demand to be generated by proposed project.
Rail and road links	The site is well connected by road and railways. Thus, access to domestic market all over India will not pose any problem.

Land Details

The Company proposes to establish the new stainless steel seamless pipes manufacturing unit within the premises of existing facility. Hence, the land cost is not considered for the project. As informed by Company the land available at existing plant is sufficient for the proposed plant. The Company has provided general layout for the existing unit without specific dimensions, also the Layout for proposed facility is provided. Based on the visual inspection of site during visit the proposed land is considered to be adequate for proposed facility.

Plant General Layout

Plant layout design is an important aspect of any manufacturing Company as it represents long-term commitments. An ideal plant layout should provide the optimum relationship among input, output, floor area and manufacturing process.

A well-planned plant layout

- Facilitates smooth production process
- Minimizes material handling time and cost
- Allows flexibility of operations through easy production flow
- Facilitates economic use of the area available
- Promotes effective utilization of manpower along with providing employee convenience, safety and comfort
- Maintain potential for future expansion.

Plant Layout

Source: Company

Based on the above layout it can be observed that overall land area is around 35196.9822 sq. mtr. The Company is process of preparation of Area Statement for the proposed expansion and also on consolidated Area Level.

Plant Production Capacity

The annual production capacity of a S.S. Seamless Steel Pipe plant depends mainly on:

- The line speeds achievable by the respective machine.
- Plant availability after allowing for delays and size changing times as will be required by the market demands.
- An average yield from input raw material to finished product of **~93 percent**. Total rejection / losses in the process are due to loss during rotary swagging, bending, annealing, cold pilgering, Bar peeling, cutting, Piercing. ***RSL is in the process of firming-up the yield norms for the proposed project.***

Production Process

The production process route proposed to be adopted at the S.S. Seamless Pipes plant is hot Piercing, pilgering and drawing processes in different qualities and grades. Moreover, this process also offers flexibility of producing pipes in a wide spectrum of diameter and thickness ranges.

Brief Description of the Process

The input raw material for S.S. seamless pipe making process normally is procured from outside or imported from international market in general processes or units, however in the case of RSL the same is to be procured from existing facility available within the same premises At 1st stage of production process, a centre is punched, and hole is drilled into the round bar of stainless steels or nickel alloy pre material. This bar will be heated up to hot forming temperature (1250 Degree C) in vertical electro-magnetic induction heater and pushed through a die and over a mandrel in horizontal Piercing press followed by air cooling or water quenching.

This economic technique produces hollows as mother tubes for further cold forming processes like cold pilgering and cold drawing. If the customer asks for hot finished pipes and tubes, then product at this stage can be sold as final products. The process is suitable for manufacturing even small batches and guarantees both a reduction of setup times and equipment costs.

The production process for the manufacture of S.S. seamless pipes may be broadly be sub divided into the following steps:

Raw material Preparation

Input raw materials bought in the form of rolled round bars go through an incoming material control process. Rolled round bars are peeled off to obtain surfaces that can guarantee an excellent degree of roughness on the finished product.

Bars cutting, spoking, centre punching & drilling: The previously peeled Rolled round bars are cut into length according to technical specifications. The rolled round bars are then checked, marked, radiused, spoked and stored through automated systems, centre punched and drilled.

Walking Hearth Type Gas – Fired reheating Furnace

The walking hearth furnace will be suitable for reheating of rolled round bars. In this furnace, heating will be done by gas-firing and the charge movement will be done by walking hearth mechanism. The major furnace constituents are briefly described below.

- **Furnace Casing and Insulation:**
  - The furnace casing will be fabricated from mild steel plates and reinforced with mild steel rolled sections.
  - The furnace casing will be of panel type construction to enable easy assembly at site.
  - The furnace roof will be of removable type construction.
  - Burner mounting arrangements will be provided on the side panels to facilitate fixing of the burners.
  - The side panels will be provided with inspection and maintenance door.
  - A flue port will be provided to take-up exhaust of flue gases to the chimney.

- **Furnace Structure:**
  - Type of heating: Direct
  - Furnace temperature uniformity: ±10°C or better
  - Fuel: LPG
  - Fuel firing rate during rated capacity production: 120 Kg/hour maximum
  - Estimated fuel consumption at rated production: 40 Kg per Tonne [For 2.5 MT per hour]
  - No. of burners: 9 Nos.
  - Burner location: On L.H.S. and R.H.S. walls
  - Furnace temperature control: P.L.D Control
  - Furnace temperature control zones: 3 zones
  - Loading: Direct pick up from the customer's loading roller conveyor. This is achieved by a walking hearth mechanism. The cost of loading table and rolled round bars feeding system is also indicated in the costing.
  - Unloading: By means of water-cooled Pushers located at the discharge side. They will be driven by a motorized gear box arrangement.
  - Maintenance door: One No.
  - No. of doors: 1 No.
  - Type of door: Winch operated lift and lower type door
  - Door construction: Insulated door made from stainless steel 316 grade material [Door frames are water cooled]
- Technical Specification of Furnace
  - Equipment: Walking hearth type Gas-Fired reheating furnace [The furnace is designed to work with natural gas].
  - Charge: Rolled round bars.
  - Charge sizes: Stainless steel, Diameter: 50 to 90 mm, Length: 1000 to 1800 mm
  - Reference bar size: Diameter: 90 mm, Length: 1600 mm. 81 kgs Approx.

- Furnace rated output for reference size rolled round bars: Approx. 2500 kgs/hr for stainless steel. The estimated output per day will be 30 MT for stainless steel, considering other operational factors.
- Maximum size and weight of the rolled round bars that can be loaded into the furnace: 120 mm diameter x 1800 mm long bar [Weight 162 kilograms] in alternate grooves.
- Estimated heating and soaking time of reference size bar [90 mm diameter]: 225 minutes approx. Varies with the grade of material
- Minimum length of the rolled round bars: 1000 mm
- Number of Bars inside the furnace: 125 nos.
- Maximum rolled round bars holding inside the furnace: 20 MT, when biggest size of bars is loaded. The hydraulic lifting system and structures will be designed considering this load.
- Operating temperature: 1200°C.
- Maximum Furnace temperature: 1275°C [The system will go for shutdown, if this temperature is breached].
- Damper flapper & shaft: Fabricated from AISI-310 grade stainless steel grade material.
- Furnace useful length: 15000 mm approx.
- Furnace effective width: 2200 mm.
- Furnace effective height: 1500 mm approx.
- Walking hearth groove pitch: 105 mm.
- Waste gas disposal: Through flue port located near charging side. An insulated flue duct of approximately 6 meters will be provided. This duct will be connected to chimney by the customer [We will provide the details to enable the customer to make the ducting and chimney as per the site requirement].
- Walking hearth cycle: Up, forward, down, reverse.
- Walking hearth drive: By hydraulic power pack and hydraulic cylinders.
- Number of hydraulic cylinders: One cylinder for lifting operation and two for forward/reverse operation
- Flue gas pressure control: By motor-operated damper

The furnace side walls, and hearth will be insulated with fire bricks, light fire bricks and insulation bricks. Heat setting mortar will be used for binding these bricks. All refractory material will be of superior grade. Grooved bricks will be provided on the furnace hearth to act as fixed hearth. The bricks will be of 70% alumina. High alumina bricks which will be baked at 1400 degrees to ensure better spalling resistance.

The furnace roof will be insulated with ceramic fiber in modular form. These modules will be held in position by stainless steel flats and rods [AISI 310 grade]. The ceramic modules will be provided with back up insulation of low-density ceramic fiber rolls.

The bottom panel of the furnace casing will be provided with openings, at suitable locations, to facilitate movement of walking hearth.

To avoid cold air infiltration into the furnace, water sealing arrangement will be provided around these hearth openings. The water trays will be made from stainless steel plates [AISI304] and bolted to the furnace hearth bottom steel structure.

A winch operated exit door will be provided. The cylinder is to adjust the door opening as per the size of the bars being discharged.

This door also will be insulated with ceramic fiber in modular form. The ceramic modules will be provided with back up insulation of low-density ceramic fiber rolls.

- **Combustion equipment**

The heating of the furnace will be done by gas burners. These burners will be suitably located along the furnace side walls. Proper distribution of burners will ensure uniform heating of the furnace, without leaving any cold / hot spots. Each burner will be provided with limiting orifice valves, to facilitate flame adjustment of individual burners. The connection from gas line header to the individual burners will be done through a gas shut-off valve. Safety system will be provided to ensure that burners lit without accumulation un-burnt gas inside the furnace.

A combustion air blower will be provided to supply necessary quantity of air at required pressure to individual burners. Each burner will be provided with individual butterfly valves to adjust air flow to the burners, in line with gas flow setting. A backup combustion blower is also considered in the estimation.

- **Walking Hearth Mechanism**

A taper wedge - type walking hearth mechanism will be provided to facilitate charge transfer in the furnace. The mechanism will consist of three mild steel frames, one resting over the other. The bottom- most frame will be provided with tapered wedges. The middle frame will be made to rest on these wedges, by means of wheels. The wheels will be fixed to the middle frame through plummer blocks and bearings. A hydraulic cylinder, fitted to the middle frame will ensure climbing of middle frame over the wedges. The middle frame will be provided with another set of wheels, on the top side, to hold the top frame.

The top frames will be provided with guide channels to ensure its sliding over the wheels. The top frames will be connected to hydraulic cylinders, to facilitate forward and reverse motion of the top frames.

Supports will be welded to the top frame, to hold the walking hearth frames. Dipper plates made from stainless steel plates will be attached to the walking hearth frames. These dipper plates will dip in water trays and act as the sealing arrangement. The walking hearth will be provided with grooved bricks to hold the bars. Brick retainers made from thick stainless-steel plates will be provided to keep the bricks in position.

The walking hearth up/down, forward/reverse motions will be limited using limit switches attached to the top frames. The operation of the walking hearths will be accomplished by means of hydraulic power pack The power pack will be provided with electrically operated direction control valves, flow control valves, strainers, electric motor for the pump, hydraulic pump, loading solenoid valve and necessary piping.

- **Discharge rollers and drives/Bar Ejector**

The walking hearth mechanism will lift the Round Bar from the last groove of fixed hearth and place on the discharge rollers. The discharge rollers will transfer the bars on to the customer's roller table for further operation.

The rollers will design to withstand the severe operating conditions prevailing inside the furnace. The rollers will be partly of stainless steel and balance carbon steel. Water cooling arrangement will be provided for the rollers. Alternatively, discharge bars ejector will be provided.

- **Flue Damper and Flue Exhaust Duct**

The flue exhaust ducting will be connected to the flue exhaust port. The ducting will be insulated. The ducting will be made from steel plates. The flue damper will be provided in the ducting, to automatically adjust the furnace pressure. The damper flapper and shaft will be of stainless-steel material. The flue exhaust chimney will be fabricated from mild steel plates and suitably reinforced. The chimney will be insulated up to a height of 8 meters.

- **Temperature Control & Instrumentation**

A control panel will be provided to house all switchgear items like isolator, HRC fuses, programmable logic controller, H.M.I, VVVF drive for the roller drive, PID temperature controllers, safety temperature controllers, control switches, ammeters, voltmeter, air break magnetic contactors, etc. Panel will be complete with all switchgear items necessary for the furnace operation and controls. Panel will be complete with internal wiring and ready for installation. The panel will be of dust and vermin proof construction. Furnace temperature control will be done by a closed loop comprising PID controller, motorized valve, air gas ratio regulator and R type thermocouple. The above control loops will be backed up by policeman control system comprising a solenoid valve, thermocouple and safety temperature controller. In the advent of an excess temperature, safety controller will switch-off the fuel solenoid, there- by stopping the heating.

There will be an interlock between combustion air blower starter and gas solenoid valve, so that the latter does not switch on when air blower is off.

A logic circuit for the automatic operation of the walking hearth mechanism will be provided, which will ensure operation of walking hearths at a predetermined period. There will also be a provision to operate hydraulic cylinders individually and check the hearth movements.

Hot Piercing

The Piercing press line is designed for hot Piercing processed of stainless steel bars/Ingots (machined and heated bars) of different bars diameters into seamless tubes. The bars are pre-drilled (pilot hole) and outer machining surfaces. The process route starts after the furnace section, where the bars are heated to a temperature in the range 1250 degree centigrade. The Piercing process starts with the coating of bars by glass powder on the outer and inner surface. After, the lubricated bars are loaded into the piercing press and extruded into seamless tubes. After Piercing, the press tubes will be either loaded in the quenching system or cool down on the cooling table.

The Piercing line consists of Piercing press with internal mandrel cylinder, outside mandrel cooling and a glass table for bar lubrication, bar loading and dummy block handling, a container cleaning system to ensure a scale free inner liner, Run-out system with water tube quench system and cooling tanks. After Piercing, the Pierced Pipes have to be further processed, i.e., straightened, end cropped, and surface cleaned by shot blasting and pickling.

Cold Pilgering

Further after Hot Piercing, these tubes would be processed using cold pilgering process. The pilgering process is one of the metals forming process to make high dimensional accuracy of tube. In pilger machine there are two roller dies and a mandrel tangent to the two rollers. Outer diameter of tube depends upon the roller dies and inner diameter depends upon the mandrel. Cold pilgering is the preferred production process for seamless, cold- finished, high alloyed stainless steel and nickel-based alloy tubes and pipes. This technique provides a highly efficient, fast production rate, close tolerances and cost-effective, competitive products. Cold pilgering is cold working process for three-dimensional reduction in outside diameter, inside diameter and wall thickness of a metal tube.

Cold Drawing

Cold Drawing is the second level of cold working to reduce the tube size further. Here the tube is pulled through a die which is in smaller size than the tube. So, the end of each tube needs to be machined in order to fit it. It is swaged before drawing. Following this procedure, the tube end can pass through the die and is clamped to a drawing trolley, which draws the tube through the die. The machine used for this process called a draw bench.

Degreasing

After each process, the tube must be degreased, cleaned with non-volatile, biodegradable solvents for further processing of tube or pipe without the environmental pollution.

Annealing

Cold forming processes impart Strain-hardening to the tubes. So, these strained-hardened tubes must be annealed to homogenize the metallurgical microstructure of the tube or pipe resulting relieve of induced stresses to make tubes suitable for further processes. During annealing material tube or pipe is exposed to a controlled temperature up to 1250 C and soak time. Through this process the tube remains in shape, but the grain structure of the tube is relieved from the induced stresses. The annealed tube is then softer and can be redrawn.

Gas quenching unit: The furnace is equipped with a strong rapid cooling unit where the hot pipes are cooled down very quickly (quenching) to achieve the required mechanical properties. The cold gas is blown on the pipes from the top and the bottom for uniform cooling throughout length & circumference of pipes to eliminate the bending tendency of the pipes. A special gas flow control system controls & regulates the protective gas flow inside the furnace to assure a stable operation of the jet cooler. Self-recuperative gas burners made of fully ceramic (higher combustion efficiency) are used for heating. Thus, gas consumption can be reduced by about 35%.

Straightening

After annealing, the seamless tubes and pipes also undergo straightening in rotary type straightener machine to straighten the tubes / pipes further.

Heat Treatment process: Tubes are passed through heat treatment processes as per requirement to improve the desired mechanical properties of the tubes / pipes.

Pickling: Then straightened tubes and pipes undergo pickling, where impurities such as stains, inorganic contaminates, rust or scale are removed by pickle liquor containing strong acids,

Abrasive Cutting of Pipes & Tubes: Pipes are cut by abrasive cutter to get the desired length. The damages of both ends of the pipes are also removed.

De- Burring and End Cleaning: Then pipes pass through de- burring and end cleaning sections.

De- burring process removes burrs which is generated during to cutting operation to get the smooth and burr free end. Then pipes are transferred to finishing section to perform different processes:

Testing, Finishing, Inspection and Dispatch

Testing is carried out in various stages of the production process. Hydrostatic testing of each pipe length is carried out in hydro testers to confirm compliance with the specifications of the petro-chemical, energy sector, power plants, instrumentation sectors, industries. The final inspection of the pipe lengths is done off-line by ultrasonic testing equipment for ensuring that the full body of the pipe as well as the ends are defect free.

Sample pieces are cut off from the pipe ends according to the sampling procedure laid down in the API and other specifications. These samples undergo flattening and reverse bend tests to confirm the quality of pipe being produced.

The cut lengths of pipes for the petroleum industry have to be supplied with the ends bevelled both ends are chamfered to the special dimensions in high-capacity bevelling machines. The pipes are weighed and marked suitably for identification in separate weighing and marking machines.

Inspection of pipes is carried out by inspectors who scrutinise the data generated from the testing equipment and the results of physical test of samples. Further, measurements are taken to check circumferential variation at pipe ends, finished pipe dimensions of wall thickness and diameters as well as bevelling finish is within the tolerances specified.

Laboratory Testing Processes,

Laboratory testing like mechanical properties of samples, chemical analysis, and inspection of surface checks; are performed as per requirement and as per customer recommendations. The test results are recorded by maintaining test certificates. Depending on the specification and requirements further tests can be applied which can be grouped into destructive and non-destructive testing methods.

Quality Assurance

The applications of the stainless-steel pipes manufactured is for high end applications and hence require stringent quality checks. The various tests carried out are generally categorized as destructive and non-destructive tests. Destructive testing includes flaring test, hardness test, tensile test, reverse bend test, etc. These tests are executed on samples from each tube batch.

Flaring Test	The flaring test serves to establish the forming behavior of pipes which is expanded to a specific degree.
Hardness Test	Samples from each lot produced are tested to ensure that the hardness of the pipe is within permissible limits.
Tensile Test:	The tensile test specimen serves to determine the strength and ductility characteristics i.e., yield strength, tensile strength and elongation. Tensile tests are normally carried out at room temperature according to DIN, ASTM, BS standards, as applicable.
Reverse Bend Test	This test ensures full ductility of the pipes by stretching the material to its physical endurance limit

Non-destructive tests include, eddy current testing, hydraulic pressure testing, ultrasonic testing.

Eddy Current Test	This test is used to detect hidden flaws, inhomogeneity, cracks, etc. using prescribed standard of test procedure for testing entire length of the pipes with generally digital data recorder.
Hydraulic Pressure Tests	All pipes are required to be checked 100% for hydraulic pressure testing as per standard and as specified by customer.
Ultrasonic Testing	Ultrasonic Testing (UT) utilizes sound energy at high frequencies, in order to detect flaws i.e., internal structure and also for dimensional measurement, say, thickness of pipes. The frequencies used for ultrasonic testing are many times higher than the limit of human hearing, most commonly in the range from 500 KHz to 20 MHz.

Some additional tests proposed are

- Residual Chlorine Test
- Residual Stress Measurement Test
- Liquid Penetrant Test
- Sensitizing Treatment Facility
- Inter-granular Corrosion Testing Facility

List of equipment

List of process equipment is shown as under:

Particulars	Capacity
Plant & Machinery	
Imported Machinery	
Furnace	2T/Hour
LXC-60 Piercing mill	56-100mm round
Conveyer Mills	Matching Mill
Centering M/c	56-100mm round
Quenching discharge	Matching Mill
Compressor	100 CFM
Straightening machine	LD-100
End cutting	350mm
MTB Pump	10kg, 200 LPM
Furnace Cooling pump	3KG, 75000 LPH
Mill water supply	3KG, 75000 LPH
Mill dewatering pump	3KG, 75000 LPH
Cooling tower	200TR
Pipelines and valves	for plant
Crane 7.5T capacity	7.5T
Mill Installation And Consulting	
Total Plant & Machinery Cost	

Source: D&B-India

List of Miscellaneous Fixed Assets

Particulars	Capacity
Misc. Fixed Assets	
General Steel For racks	12T
Moly Plugs	400Kg
Plug Rods	4Ton
Connectors	as per Plugs
Flangers	as per rods
Hydraulic Oil	HYDROL-68

Gear Oil	EP-320
Grease	EP-2
General Stores	Sling,Gloves,Grinding Wheels
General Tools	Spanners,Wrenches
Total Misc. Fixed Assets Cost	

Source: D&B-India

Power

Bulk power is received at 66 kV from the nearest Sub Station of Madhya Gujarat Vij Company Limited. Total contract demand for the plant is about 6000 KVAH. Based on data provided by Company, the power consumption is considered as 2,563 kWh/MT at the purchase rate of INR 5.50 kWh. As per Company, the existing connection is sufficient to cater the proposed power requirement in addition to existing power requirement.

Water Utility

Raw water system: Raw water will be required only to makeup the losses in the process, evaporation, seepage, bleed-off etc. Raw water requirement will be for recirculating system and other users like processes other than recirculating system, drinking water plant, sanitation, acid washing in pickling line, gardening, firefighting system etc.

Raw water will be tapped from ground via borewell and store in water reservoir. Part of this water would be used in firefighting system, drinking water etc. Raw water from borewell will be filtered and chlorinated to convert it into potable water. The drinking water system will comprise of rapid gravity and sand filters, chlorinators, pumps, on-ground storage tanks and overhead tank.

Make-up water: Drip losses in the cooling tower will be about 0.01% of the re-circulated water. Other requirement of make-up water will be for balance process units other than recirculating system of drinking water plant, sanitation, acid washing in pickling line, gardening etc.

Plant Water System: The water requirement for various purposes have been classified in accordance with its quality as follows:

i) Industrial Cooling Water (ICW) to be generally used in the plant cooling water circulation system

ii) Drinking water will be produced from raw water to meet drinking and sanitary needs of the plant personnel and other specific users.

Drinking and sanitary water system: Drinking water system will cater to the water requirements of (i) plant personnel for drinking and sanitary purposes, (ii) laboratories and (iii) other miscellaneous users in the plant.

Presently the Company has 60,000 Litre of Overhead tank and 1,00,000 Litre of Underground tank. Which are presently utilized at 80% of the Capacity by existing facility.

Utilities arrangement

Compressed Air

Compressed air will be required for the operation of pneumatic devices for instruments and controls, CC TVs, and for general purpose usages. It will be mainly required for induction bar heating plant, bright annealing furnace, hydro tester units, laboratories etc. as infirmed, the existing Compressed air capacity is 475 CFM which is presently utilized around 78-85% by existing facility.

Nitrogen

Nitrogen will be required for bright annealing furnace as mixture of nitrogen and ammonia, furnace purging, purging of natural gas line etc. As mentioned by the company, the nitrogen supply will be done from the nitrogen plant of the Company itself. As informed, present Nitrogen compressor capacity is 250 cubic meter per hour which is used around 80% by the existing facility.

Manpower

The Company proposes to deploy about 72 employees for the project under consideration at maximum utilization. The following table depicts the manpower requirement for the project.

Sr. No.	Manpower	Count
1	Labour	47
2	Housekeeping	6
3	Machine Operators	6
4	Operations Head	2
5	Sales Manager	3
6	Purchase Manager	1
7	Accounting Executives	6
8	Head Finance	1
	Total	**72**

The above manpower requirement for the project is considered to be reasonable and sufficient to manage the operations of the plant.

Statutory Approvals

The status of various existing permissions and approvals (For existing facilities at Panchmahal i.e., for Stainless Steel billets, ingots, rounds, hex, square, round corner square, angles, flat black & bright bar) is detailed in table below:

No.	Permission/Approval	Agency- Issuing Authority	Status	Remark
1	Certificate of Incorporation		Received	The company has received
2	Legal Entity Identifier	Legal Entity Identifier India Limited	Received	The Company has received the certificate dated 13th January 2023 & the same valid upto 13th January 2025
3	Petroleum and Explosives Safety Organization (PESO)	Government of India	Received	The Company has received the Certificate dated on 07/10/2022, the same is valid upto 30th September 2027.
4	GST Registration	Government of India	Received	The company has registered Dated on 01/07/2017
5	Consent To Establish	Gujrat Pollution Control Board	Received	The company has received the consent order for its existing plant dated on 07/10/2020.

6	Environment Clearance	Government of India	Received	The Company has Received the Environmental Clearance Dated on 11/12/2019
7	Labour Registration	Gujarat Government	Received	--
8	License to work a Factory	Directorate Industrial Safety and Health Gujrat State	Received	The company has received the License dated on 21/10/2020. License No :27579 The same valid upto 31st December 2025
9	Certificate of Stability	JAS associates, Certified Industrial Assessor	Received	The Company has received the Certificate Dated on 04/11/2020, the next test due is 3rd November 2025
10	ISO 9001:2015	Euro Certifications	Received	The certificate is valid till 3rd September 2024

Source: Company & D&B-India assessment

Statutory Approvals for Proposed Facility

No.	Approval For	Authority	Application Date	Approval Date	Stage at which approvals are required	Status
1.	Approval for the building plans for the Proposed Facility	Directorate Industrial Safety & Health Gujarat State	-	-	Before the commissioning of the Proposed Facility	To be applied
2.	Electricity Board License	Madhya Gujarat Vij Company Limited	-	-	Routine approval	Obtained
3.	Certificate of Stability	Concerned Industrial Assessor	-	-	Routine approval	To be applied
4.	CTE (Consent to Establishment)	GPCB	-	-	Before the commissioning of the Proposed Facility	To be applied
5.	Consolidated Consent and Authorization	GPCB	-	-	Upon the commissioning of the Proposed Facility	To be applied

No.	Approval For	Authority	Application Date	Approval Date	Stage at which approvals are required	Status
6.	ISO	Concerned ISO Agency	-	-	After the commissioning of the Proposed Facility	To be applied
7.	BIS	Bureau of Indian Standards	-	-	After the commissioning of the Proposed Facility	To be applied

The Company needs to amend the above approvals to include new manufacturing unit and product portfolio as a part of production facility.

Implementation Schedule

The broad activity-wise implementation schedule for the proposed plant is as follows,

Phase 1: Design and Procurement (Month 1)

- Month 1: Finalize plant layout and design as per plan.
- Month 1: Procure equipment (furnace, rolling mill, piercing mill) and materials.
- Month 1 : Complete procurement and prepare for civil works.

Phase 2: Civil Works (Months 2-3-4)

- Month 2 : Begin civil works (land preparation, foundation laying).
- Month 3-4 : Complete civil works.

Phase 3: Equipment Installation (Months 5-6-7)

- Month 5-6 : Install major equipment (walking hearth furnace).
- Month 7 : Install auxiliary equipment.

Phase 4: Commissioning and Testing (Months 8-9)

- Month 8-9 : Begin commissioning.
- Month 10 - Conduct performance tests and trial runs.

Phase 5: Production Ramp-up (Months 11-12)

- Month 11 :Start commercial production (20% capacity).
- Month 12 : Gradually increase production capacity (50%, 100%).

Key Milestones:

- Month 4 : Civil works completion
- Month 7 : Equipment installation completion
- Month 9 : Commissioning completion
- Month 12: Full production capacity achievement

Vendors and Makers Credentials

The Company plans to engage various consultants and contractors for respective aspects (land development, civil work, P&M, utilities, etc.) pertaining to the project, over the next few months.

Some of the contractors & vendors are as follows,

For Plant & Machinery:

Industrial Furnace Consultant (Mr. Shreenath Nambiar): The Principal consultant of Company has 27 years of experience in furnace Industry and has started the Company in 2014. He is working with below Companies for the installation of project,

Chandan Steel Ltd	Hindustan Inox Ltd	Maxim Tube Ltd
Tempsens	Rajkot Seamless Pvt Ltd	Shalco Industries
Kangaro Industries	Kanak Pipes	H.M Industries
Shubhalxmi Metals and Tubes	Ranadeep Metals & Tubes	Accords Llc
Malhotra Group	Stelco, Bhatinda	Microtech Seamless Tubes Pvt Ltd
Shrikrishna Cylinder	Phoenix Foils	Moonlight Tubes
Venus Tubes	Tvastar	Nandini Alloys
Jindal Saw Limited	Accord Tubes	Printman

He offers services such as furnace design, preparation of detailed manufacturing drawings, and bill of materials. He also assists in coordinating with suppliers for components like burners, insulation, rollers, and drives, and prepares draft purchase orders for client review. Shreenath collaborates with fabricators and helps clients with on-site fabrication to ensure technical specifications are met. By supporting clients in sourcing materials directly, he helps maintain quality and manage costs while delivering practical furnace solutions.

Yantai Yujia Machinery Co., Ltd. is located in Shandong Province, near Qingdao Port. The company specializes in machinery and tooling for seamless steel pipe and tube production. Their product range includes piercing mills and tooling such as piercing plugs, piercer rolls, and plug rods; cold pilger mills and tooling such as pilger dies and mandrels; sizing mills and tooling such as sizing rollers and stands; straightening mills and tooling such as straightening rollers; as well as Assel-mills, Accu-mills, and associated tooling

The Customers of company includes,

- Lalbaba Seamless Tubes Pvt Ltd
- Rashmi Grewn Hydrogen Steel Private Limited
- Shree Ram Seamless Pvt Ltd
- Tvastar Steel Pvt Ltd
- Indodeutsche Precision Tubes Pvt Ltd
- Viera Seamless Pvt Ltd
- Virat Stainless India

Products Profile

- **Piercing Mills and Tooling**: Equipment such as piercing plugs, piercer rolls, and plug rods used in the initial stages of seamless pipe production.
- **Cold Pilger Mills and Tooling**: Machines and components like pilger dies and mandrels for reducing pipe dimensions while enhancing material properties.
- **Sizing Mills and Tooling**: Sizing rollers and stands that ensure pipes achieve precise outer diameters.
- **Straightening Mills and Tooling**: Straightening rollers designed to correct any deformation, ensuring pipes are straight.
- **Assel Mills and Accu-Mills Tooling**: Mandrels and related tools for advanced pipe rolling processes.

Manish Engineers

Manish Engineers, headquartered in Ahmedabad, specializes in the design and manufacturing of material handling and industrial equipment to meet a wide range of operational requirements. Their product offerings include Double Girder Cranes, Jib Cranes, Goliath Cranes, Goods Lifts, Flexible Hoists, and Pre-Engineered Building (PEB) Shades. With capacities ranging from 0.5 tons to 50 tons and features such as varying spans, lifts, and swivels, the equipment is designed to cater to diverse industrial applications. The company emphasizes providing solutions that align with standard industry specifications, addressing the functional needs of businesses across sectors while maintaining a focus on quality and reliability.

J. Poonamchand & Sons

Age of business: 59 Years

Year of start: 1965

J. Poonamchand & Sons, established in 1965 and based in Mumbai, is an ISO 9001:2008 certified company engaged in the import and supply of materials such as ferro alloys, virgin metchals, minor metals, non-ferrous metals, minerals, and ores. The company offers a range of products, including base metals like copper, tin, and nickel; bulk alloys such as ferro chrome, ferro silicon, and manganese alloys; as well as minor metals and noble alloys like molybdenum, tungsten, and vanadium. Their client base includes various government and semi-government organizations, defense industries, Indian Railways, and public limited companies, along with over 200 foundries involved in alloy steel and aluminum alloy production across India. The company also exports ferro alloys to markets in the Middle East and Asia.

Product Profile:

- Basic Metals
- Bulk Alloys
- Minerals
- Minor Metals
- Noble Alloys & Ores

As informed by Company, it has been working with the above vendor for over 3 years.

M/S BP Lubricants Pvt. Ltd

Age of business: 13 Years

Year of start: 2011

No. of Employees: 1

- Overall assessment of this company: FAIRLY STABLE CONDITION
- Based on the risk of failure: LIKELIHOOD OF CONTINUED OPERATIONS
- Based on ability to pay and actual payment behavior from trade credit data: MODERATE ABILITY TO PAY OBLIGATIONS

D&B rating: C3

Financial summary:

Particulars	31/3/2023	31/3/2022	31/3/2021
Current Assets	16.22	13.31	15.17
Current Liabilities	15.95	13.50	15.71
Working Capital	0.27	(0.19)	(0.54)
Other Tangible Assets	3.28	2.61	2.64
Non-Current Liabilities	0.76	0.06	0.12
Tangible Net-Worth	2.79	2.36	1.98
Sales / Income	43.63	35.63	24.40
Proit (Loss) After Tax	0.43	0.37	0.32
Inventory	5.96	2.69	3.25
Cash & Bank	0.83	1.87	2.75
Accounts Receivable	9.03	8.58	8.57
Fixed Assets	1.23	0.57	0.64
Accounts Payable	8.71	5.84	7.63

M/S BP Lubricants Pvt. Ltd., established in 1976, specializes in distributing and supplying a diverse range of lubricants and related products to meet the needs of various industries. As an authorized channel partner for brands like Veedol, IPOL, Motorol, ASV-Molysulf, Hardcastle Petrofer, and Electrol, the company offers products such as thermic fluids, hydraulic and circulation oils, compressor oils, industrial gear oils, engine oils, transmission oils, metalworking fluids, transformer oils, and specialty greases, including food-grade options. BP Lubricants caters to over 12 industries, providing tailored solutions designed to enhance operational efficiency. The company focuses on delivering quality products, timely service, and reliable support, backed by decades of experience in the lubricant market.

Most renowned clients:

1. Renault
2. Volvo
3. Komatsu
4. Mercedes-Benz
5. BMW
6. Ford
7. Honda
8. Toyota
9. Nissan

10. Hyundai

Linyi CM Import & Export Co., Ltd. Overview

Linyi CM Import & Export Co., Ltd., based in Linyi, Shandong, China, specializes in the manufacturing and export of various steel products. Their product range includes stainless steel, alloy, and carbon steel pipes, plates, pipe fittings, and flanges. They also produce hot-rolled seamless pipes. The company has a significant presence in international trade, particularly with India. They have engaged in numerous shipments involving products such as carbon steel seamless pipes (ASTM A106 Grade B), mild steel seamless tubes (BS3059 Part-II Grade-320), and alloy steel seamless pipes (A335 Grade P22).

Their clientele includes various Indian importers, with records indicating shipments to companies like Prime Tubes Sales, Mahadev International, and Real Engineering. In addition to their product offerings, Linyi CM Import & Export Co., Ltd. operates machinery for producing steel components, including piercing machines for super duplex stainless steel, cold forming tee machines, and hot forming elbow machines. Overall, Linyi CM Import & Export Co., Ltd. serves as a key supplier of steel products and components, catering to the needs of clients in the construction, manufacturing, and engineering sectors.

Most renowned clients

1. Prime Tubes Sales (India)
2. Mahadev International (India)
3. Real Engineering (India)
4. Ravi Steel (India)
5. Shree Tube Industries (India)
6. Sigma Piping Products (India)
7. Mangalam Pipes & Tubes (India)
8. K.K. Industries (India)
9. Metal Udyog (India)
10. Dynamic Forge & Fittings (India)

Product Portfolio:

1.Seamless Steel Pipes
2.Stainless Steel Pipes and Tubes
3.Steel Plates
4.Pipe Fittings
5.Flanges
6.Hot-Rolled Seamless Pipes
7.Alloy Steel Products
8.Custom Steel Components
9.Steel Coils
10.Specialty Steel Products

Jineshwar Steels (Lakshya International)

Lakshya International is a manufacturer and supplier of steel products, established in 1987 as Jineshwar Steel and rebranded in 2012. The company offers stainless steel products, duplex and super duplex steel, nickel alloys, carbon steel, aluminium products, and corten steel. Key products include pipes, tubes, plates, rods, bars, flanges, and fittings. The company holds certifications such as MSME UDYAM, GST, ISO, PED, and CE. It serves industries like oil and refineries, pharmaceuticals, construction, sugar, and government sectors. The company is located in Mumbai, India.

As informed by Company, it has been working with the above vendor for over 3 years.

Ganesh Engineering

Ganesh Engineering is an ISO 9001:2008 certified company specializing in pre-engineered metal buildings, structures, and civil work. They manufacture products such as Suprimo turbo air ventilators, non-toxic biodegradable bird deterrent gel and spikes, and welded wedge wire screens. Their product range includes rotary wedge wire screens, curved screens, centrifuge baskets, flat panels, run-down screens, colour metal roofing sheets, roofing sheet accessories, industrial louvers, corrugated roofing sheets, steel deck sheets, insulation foil for roofing, FRP sheets and gutters, polycarbonate sheets, heavy industrial GRP/GRE pipes, UPVC carbon fibre sheets, insulation puff panels, and safety materials and accessories. They also provide textile processing machinery like stenter machines, print dryers, print washers, pad steam polymerizers, drying ranges, soaper print washers, and rope bleaching plant jiggers. Their clients include Fertilizers & Chemicals Travancore Ltd., M H Valves Pvt Ltd., Apex Extrusion Pvt. Ltd., Heubach Colour Pvt. Ltd., Imery Newquest (India) Pvt. Ltd., and Elmex. Ganesh Engineering is located in India.

The Financial snapshot of Company are as follows,

(INR Cr)

Particulars	FY 24
Revenue	**1.38**
Expenses	1.18
EBITDA	0.20
EBITDA Margin	**15%**
Net Profit Margin	**3%**
Current Assets	2.12
Current Liabilities	0.28
Current Ratio	**7.65**
Total Liabilities/Assets	0.64
Net Fixed Assets	0.52

Renowned clients:

1. Aditya Birla Group
2. Amul Dairy
3. L & T Ltd
4. Balaji Agro Products
5. Appollo Tyres Ltd
6. Adani Port Ltd.

7. Mahindra & Mahindra- Ighatpuri Plant
8. Ambuja Cement
9. Philips India Ltd.
10. Balaji Wafers Pvt. Ltd.
11. Triveni Forgings & Ispat Udyog Pvt. Ltd.
12. Raymond Ltd. (Tex. Divi.)

Products List:

1. Welded Wedge Wire Screens
2. Ganesh Colour Metal Roofing Sheets
3. Accessories for Roofing Sheets
4. Industrial Louvers
5. Corrugated Roofing Sheets
6. Ganesh - Steel Deck Sheets
7. "Suprimo" Turbine Air Roof Ventilator
8. PEB - Pre-Engineered Buildings
9. Insulation Foil for Roofing Sheets
10. FRP - Sheets & FRP Water Gutters
11. Solid & Embossed Polycarbonate Sheets / Acrylic Sheets
12. Polycarbonate Sheets Corrugated Type Roofing Sheet / Multi-wall
13. Heavy Industrial GRP/ GRE Pipes
14. UPVC Carbon Fibre Sheet
15. Insulation Puff Panel
16. Suprimo Birdsgo Solution
17. Suprimo - Birdsgo Spikes
18. All Type Heavy Industrial Filters
19. Textile Machineries
20. Profiling Machine / Roll Forming Machine
21. Safety Materials & Accessories

As informed by Company, it has been working with the above vendor for over 3 years.

Shree Gayatri Engineers

Age of business: 2 Years

Year of start: 2022

Shree Gayatri Engineers, established in 1985, is a manufacturer based in Ahmedabad, Gujarat, specializing in machinery for the metalworking industry. Their product range includes straightening machines, polishing machines, and shearing cutting machines, which are utilized across various engineering sectors. The company operates as a sole proprietorship under the leadership of Mr. Sanjay Bhai Dodia. They maintain a GST registration under the number 24BOBPD4569R1ZI. Their annual turnover is reported between ₹5 crore and ₹25 crore.

Product Portfolio

1. Straightening Machines
2. Bar Peeling Machines
3. Pointing Machines
4. Round Bar Polishing Machines
5. Draw Bench Machines
6. Roll Forming Machines
7. Wire Drawing Machines
8. Wire Machinery
9. Bar Pointing Machines

Paharpur cooling towers limited

Age of business: 75 Years

Year of start: 1949

No. of Employees: 1658

D&B Thinks:

- Overall assessment of this company: STABLE CONDITION
- Based on the risk of failure: HIGH LIKELIHOOD OF CONTINUED OPERATIONS
- Based on ability to pay and actual payment behavior from trade credit data: EXCELLENT FINANCIAL STRENGTH WITH FAVORABLE PAYMENT BEHAVIOR

D&B rating: 5A2

Financial summary:

Particulars	31/3/2023	31/3/2022	31/3/2021
Current Assets	1,609.65	1,250.25	1,382.67
Current Liabilities	954.91	677.65	685.34
Working Capital	654.74	572.61	697.34
Other Tangible Assets	2,625.20	2,311.67	1,841.22
Non-Current Liabilities	110.76	104.87	64.85
Tangible Net-Worth	3,169.18	2,779.41	2,473.71
Sales / Income	1,630.65	1,277.26	1,142.51
Proit (Loss) After Tax	208.75	98.28	91.54
Inventory	324.04	248.41	224.96
Cash & Bank	170.18	49.58	114.74
Accounts Receivable	642.71	499.15	571.93
Fixed Assets	351.75	330.09	348.90
Accounts Payable	204.20	143.14	186.51

Paharpur Cooling Towers, established in 1948, is a manufacturer of process cooling equipment, offering a range of cooling solutions such as counterflow, crossflow, and natural draft cooling towers, evaporative condensers, dry coolers, and associated components. The company also provides installation, commissioning, maintenance, and repair services, focusing on sustainability and environmental responsibility. Paharpur serves a wide range of industries, including power, oil and gas, chemicals, HVACR, sugar, metals, cement, food and beverage, pharmaceuticals, and paper.

Product Portfolio

1. Wet Cooling Systems:
    - Factory Assembled & Unitary Range:
2. Dry Cooling Systems:
    - Air-Cooled Steam Condensers
    - Air-Cooled Heat Exchangers
3. Adiabatic Coolers
4. Components

K. Patel Drives System Pvt Ltd

Age of business: 14 Years

Year of start: 2010

D&B Rating indicates:

Financial Strength Indicator: O

Tangible Net Worth undetermined (accounts unavailable or older than 18 months)

A Risk Indicator which is Fair

D&B rating: O3

K. Patel Drives System Private Limited, established in 2010, is a company based in Ahmedabad, Gujarat, India. It specializes in the manufacture of rubber products, focusing on the production of V-belts and conveyor transmission belts. The company operates within the machinery and equipment industry, providing essential components for various industrial applications. The directors of K. Patel Drives System are Amitaben Kaushikbhai Patel, Kaushik Madhubhai Patel, and Krishna Kaushikbhai Patel.

As informed by Company, it has been working with the above vendor for over 3 years.

Site Visit Observations & Management Discussion

For the purpose of collecting first-hand information and to understand the Company's operations, a team from D&B-India conducted the management discussion with the entity's key executives. The site visit of the proposed unit was conducted by D&B team on 29th June 2024. Team from D&B-India has physically observed key aspects such as site condition, approach and utilities etc.

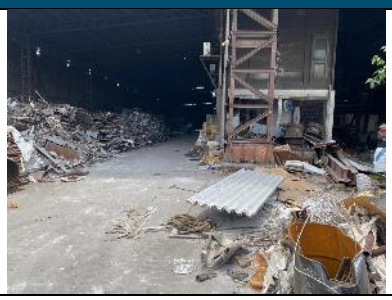
The site visit Observations,

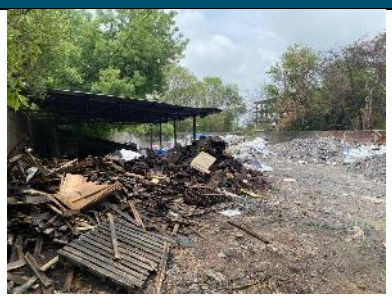
- The SMS and rolling mill are located in separate blocks because, with stainless steel, there is no need for the direct transfer of hot billets to the rolling mill.
- The SMS section is linear and duly integrated with scrap yard, induction furnace and AOD to facilitate easy movement of man-material and effective control on operations.
- The billets formed are annealed to align the grain structure. Thereafter as per requirement the billets are heated again in reheating furnace and further rolled into bars / bloom.

- The land for the proposed expansion of seamless pipe project is vacant parcel of land within the existing plant. The shape of plot is rectangular thus the land development cost is expected to be minimal possible.
- The existing roads surrounding / within the unit are approximately 9 m wide which is sufficient for easy movement of man and materials. The roads are in good condition.
- The fire-fighting arrangements are adequate.
- Drains for utility and storm water have been provided for effective wastewater discharge. Also, the site is provided with efficient collection of storm water to the lowest point.

Photograph during Site Visit

Following are the pictures taken during the site visit by D&B-India:

Existing Facility Overview		
		
Scrap Yard	Scrap Yard	Raw Materials
		
Furnace Bay	LRF & AOD Area	Billet Yard
		
Bar Mill	Bar Mill	Finished Goods

Proposed Facility Area Allocation within same premises		
		
		

Source: D&B-India Assessment & Company

Technical Conclusion

The technical conclusion is as follows,

- The Company proposes to manufacture the SS Seamless pipes facility at the proposed location. The Company intends to start commercial operation from April 1, 2026 (1st quarter of FY2027) considering 12 months of construction post financial closure during March 2025. Stainless steel seamless pipes are manufactured through a process involving hot extrusion or piercing of solid round bar followed by elongation and rolling to achieve the desired dimensions and properties.
- The project location is considered to be appropriate for the proposed plant.
- The proposed technology, manufacturing process and machinery is found to be in line with latest industry trend and as per the proposed product profile.
- The proposed manpower for the project is considered to be sufficient to manage the operations of the plant, post commissioning with the consideration of integrating the existing plant with the new unit.
- As the project is at its initial stage, the Company is in process of obtaining new approval to include the proposed portfolio.
- The overall project cost (excluding margin money, interest during construction period and land cost) is found to be reasonable and in-line with the proposed plan of the Company, as well as industry norms.
- Subject to the above assessment & considering all these critical aspects, **D&B-India is considers that the project is technically feasible**.

Industry Assessment

Global Stainless-Steel Industry

Stainless Steel is a value-added product with high corrosion resistant properties. Higher levels of Chromium and additions of other alloy elements (Nickel, Molybdenum, etc.) enhance the corrosion resistance. Compared to traditional steel, stainless-steel has higher resistance to corrosion, superior aesthetic finish and higher life span. These features have helped in increasing the popularity of stainless-steel across the world. High recyclability, resistance to corrosion and low maintenance properties has made stainless steel a preferred metal for application in diverse sectors railway, metro project, process industries, bridges, nuclear, airport, transportation, and kitchenware. Based on the content of alloying elements stainless steel is segregated into three: 200 series, 300 series and 400 series. With 55% share, Cr-Ni grade (300-series) account for majority share in overall SS production.

Three Distinct Series of Stainless Steel & their composition			
	200 series	300 series	400 series
Manganese	5.5 - 12%	2% maximum	1% maximum
Nickel	1 - 6%	6 - 22%	0.75% maximum
Chromium	10.5 - 20%	15 - 25%	10.5% minimum
Copper	1.5 - 2.5%	None	None
Iron	Balance	Balance	Balance

Production and Consumption pattern

Annual production of stainless steel increased from 55.25 Mn Tons in 2022 to 58.44 Mn Tons in 2023.

Stainless and heat resisting steel melt shop production						(In '000 Metric tons)		
Country/Region	2014	2015	2016	2017	2018	2019	2020	2021
Belgium	1,388	1,607						
Belgium/Austria			1,672	1,698	1,754	1,481	1,417	1,632
Finland	1,216	2,215						
Finland/Sweden/UK			2,327	2,322	2,285	2,145		
Fin/SWE/UK/Pol/Slo/Cz							2,165	2,419
France	323	291	287	293	310	281	208	270
Germany	864	459	414	436	433	401	366	429
Italy	1,457	1,452	1,421	1,469	1,484	1,441	1,330	1,501
Spain	945	979	1,002	1,003	969	898	836	928
Sweden	541							
United Kingdom	295							
Other EU	223	165	157	156	151	159		
European Union	7,252	7,169	7,280	7,377	7,385	6,805	6,323	7,181
USA	2,389	2,346	2,481	2,754	2,808	2,593	2,144	2,368
Brazil	424	401	450	400	386	340	336	in others
Americas	2,813	2,747	2,931	3,154	3,194	2,933	2,480	2,368
Japan	3,328	3,061	3,093	3,168	3,283	2,963	2,413	2,865
South Korea	2,038	2,231	2,276	2,383	2,407	2,349	2,199	in others
Taiwan, China	1,108	1,109	1,263	1,376	1,172	997	859	962
China	21,692	21,562	24,608	25,774	26,707	29,400	31,039	32,632
Indonesia				680	2,195	2,265	2,829	in others
India	2858	3060	3324	3486	3,740	3,933	3,157	3965
Asia	31025	31024	34565	36867	39,505	41,908	42,496	40424
South Africa	472	514	582	591	550	466	386	in others
Russia	123	95	90	92	96	106	107	in others

Others								8316
WORLD	**41,686**	**41,548**	**45448**	**48,081**	**50,730**	**52,218**	**51,792**	**58,289**
Source: worldstainless								

Quarterly production of Stainless and heat resisting steel melt shop in 2023 is summarized below:

Stainless and heat resisting steel melt shop production (ingot/slab equivalent)					
Year 2023 in '000 metric tons					
Region	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year
Europe	1,640	1,495	1,270	1,502	5,907
USA	478	465	442	440	1,825
China	8,418	9,291	9,970	8,997	36,676
Asia w/o China and S. Korea	1,631	1,687	1,619	1,943	6,880
Others	1,665	1,809	1,798	1,891	7,163
Total	13,828	14,745	15,099	14,773	58,445
Source: D&B-India secondary research					

Domestic Stainless Steel Scenario

The Indian stainless-steel sector, the second largest producer (till 2020) and consumer in the world, has a total manufacturing capacity of more than 5 Mn tons of stainless steel annually. Since 2011, stainless-steel production has increased at a CAGR of 7.8% per annum from ~2.16 Mn Tons in 2011 to 3.93 Mn Tons in 2019. Barring 2020 for pandemic led decline, India's stainless-steel (SS) production has increased steadily between 2014-21. In 2020, India stainless steel production observed -19.4% over 2019 owing to Covid-19 pandemic induced depressed market condition. However, the industry rebounded well in CY 2021 where India's annual domestic stainless-steel production was 3.96 Mn tons,

SS production and consumption observed V shape recovery where volume improved gradually with phase wise unlocking of the economy on the back of government stimulus and efforts put in place by the industry stakeholder. Flat products, which include steel slabs, sheets, plates, and coils account for ~75% of total stainless- steel production in the country.

About Seamless Stainless Steel Pipes

Stainless steel seamless pipes are used in a wide range of industries and applications due to their superior characteristics and properties. Some common areas where stainless steel seamless pipes are used include:

- Oil and Gas Industry: Stainless steel seamless pipes are extensively used in the oil and gas industry for various applications such as drilling, production, transportation, and refining. They are resistant to corrosion, high temperatures, and pressure, making them suitable for offshore and onshore oil rigs, pipelines, and refineries.
- Chemical and Petrochemical Industry: Stainless steel seamless pipes are widely employed in chemical plants and petrochemical refineries where they are exposed to aggressive chemicals and high temperatures. They are resistant to corrosion and can handle corrosive fluids, making them suitable for transporting chemicals, acids, and other corrosive substances.

- Power Generation: Stainless steel seamless pipes are used in power plants, both conventional and nuclear, for applications such as steam generation, heat exchangers, and condenser systems. They offer excellent resistance to high temperatures and pressure, making them ideal for handling hot water, steam, and other fluids in power generation processes.
- Food and Beverage Industry: Stainless steel seamless pipes are commonly used in the food and beverage industry, particularly in hygienic applications. They are corrosion-resistant and easy to clean, making them suitable for transporting food products, beverages, and dairy products. They are also used in breweries, wineries, and food processing plants.
- Pharmaceutical Industry: Stainless steel seamless pipes find application in the pharmaceutical industry, where hygiene and cleanliness are crucial. They are used for transporting pharmaceutical ingredients, chemicals, and fluids in a sterile environment. Stainless steel pipes meet the industry's strict requirements for corrosion resistance and cleanliness.
- Automotive Industry: Stainless steel seamless pipes are used in the automotive industry for various applications, including exhaust systems, catalytic converters, and fuel delivery systems. They offer high heat resistance, corrosion resistance, and durability, making them suitable for withstanding harsh operating conditions.
- Construction and Architecture: Stainless steel seamless pipes are used in architectural structures, such as bridges, stadiums, and high-rise buildings. They provide structural integrity, corrosion resistance, and an aesthetically pleasing appearance. Stainless steel pipes can also be found in plumbing systems and HVAC (Heating, Ventilation, and Air Conditioning) installations.

Pipe Manufacturing

The two most common types of pipes are welded pipe and seamless pipe, both of which are available in carbon steel and stainless steel. They are part of tubular goods, which are manufactured to different specifications and standards. Pipes are sold by "nominal pipe size" in sizes from 1/8" to 72".

Welded Pipes: Welded pipe is manufactured using following three process i.e. ERW (Electric Resistance Welded) pipe, Furnace Weld (FW) also called as Continuous Weld, and Submerged Arc Weld (SAW), also DSAW. Most common specification for welded carbon steel pipe is A53. Welded SS Pipe is made to specification ASTM A312 and A358. A312 is the most common specification for SS pipe. Welded stainless pipe is made from 1/8" to 24" NPS (Nominal Pipe Size).

Seamless pipes: Seamless pipes is manufactured using process that requires no welding. They are made from steel bars have uniform structure and strength across the entire pipe body because of which it can withstand high pressure, temperature and stress as compared to welded pipes wherein the strength of the pipe is somewhat limited to the strength of the weld joint. These are used in applications which require properties of high anti corrosion and ability to withstand high pressure. Most common specification for seamless carbon steel pipe is A106B and for seamless stainless-steel pipe is A312. Seamless Stainless-Steel Pipe is made to specification ASTM A312 and A376. A312 is also the most common spec for seamless SS pipe. Seamless SS pipe is made from size 1/8 to 14" nominal.

Based on manufacturing process and differentiated by their end-usage, several types of steel pipes & tubes manufactured are listed below:

Pipe Type	Size	Manufacturing	Key Application
Seamless	1/2" –14"	Piercing rolled round bars of steel at high temperatures	It finds wide application in High Pressure condition Oil & Gas Exploration & Drilling, Boiler, Automobiles, Process, Pipelines, Refineries.
Spiral HSAW	18" –100"	Spirally Welding HR Coils	Low Pressure Application Cross-Country Line Pipes for Oil & Gas and Water Transportation
Spiral LSAW	16" –50	Longitudinally submerged arc welding of steel plates	High Pressure Application Cross Country Line Pipes for Oil & Gas Transport
ERW	1/2" –20"	Hot Rolled steel coils using electrical resistance welding process	Low/Medium Pressure Application, Application in urban and rural infrastructure (scaffolding), industrial application in engineering, automobile and process industry such as chemical, food processing, fertilizers, dairy, amongst other; pharmaceutical, power plants and water & sewage transport.
Black steel Pipe	Dia : ½" to 20" Thickness: 1.00 mm – 12.7 mm	Are Forged and threaded	Water, Gas, Air, Steam, Sewage, Water Wells, Mechanical, Hot water circulation in Boilers system, General Engineering purpose.
GI Pipes (Galvanised Iron Pipes)	15mm to 200mm.	Coated with Zinc layers. Generally screwed & socketed plain bevelled cut ends in pipe are used	It is primarily used in the carrying water in homes and commercial building, Structural Application, Scaffolding
DI Pipes	10mm – 300 mm and above	DI also known as ductile cast iron is advanced form of cast iron that can be manufactured in multiple grades to achieve high ductility and tensile strength. Aus tempered ductile iron has even better mechanical properties and resistance to wear	It finds large application in transporting water for drinking water application, sewage treatment and for industrial water supply.

Source: Industry Sources, D&B (Dun & Bradstreet) Research

LSAW pipes, made from steel plates, are also used in high pressure applications. On the other hand, HSAW and ERW pipes, made from HR coils, are used in low pressure application areas.

Generally, LSAW, HSAW and seamless pipes are used in the oil and gas industry for exploration and transportation. Typically, ERW, HSAW and seamless pipes are used in the non – oil segment such as water and sewage, engineering, process industry, power plants, autos, and metros, among others.

Basis raw material, steel pipes and tubes segment, industry is primarily classified into -

- **Stainless Steel:** Seamless and welded, ERW SS Pipes. Most common stainless material used in pipes manufacturing is 316 and 304 material grades.
- **Carbon Steel:**
    - **Submerged arc welding (SAW):** It include LSAW & HSAW
    - **Electric welded resistance (ERW):** It Include Black pipe, DI Pipes, GI pipe, GP, and Hollow sections.
- **Seamless:**

Stainless steel is iron based alloy containing a minimum of 16% chromium and Nickel being another important alloying element in stainless steel pipe. In many applications, stainless steel welded, and seamless pipes are used due to good resistance to corrosion, perform at high temperature, clean look, and low maintenance cost. Due to its general corrosive resistant and other attributes, stainless steel is used to manufacture SS High Precision and Heat Exchanger Tubes, SS Stainless Steel Hydraulic and Instrumentation Tubes. SS seamless pipes and SS welded and box pipes. These pipes and tubular product find diverse application in chemical plants, oil & gas, fertilizer, capital engineering good - heat exchangers, pressure vessel, process industry, automotive, pharmaceutical, paper & pulp, power plant, dairy, and food industries, amongst others.

Global Seamless Stainless Steel Pipes and Tubes

The global steel pipe market is estimated to be $ 95 billion and is expected to grow by 4% CAGR over the next 3 years. Globally, the Oil & Gas sector is the largest consumer of steel pipes and tubes.

The global Seamless Stainless-Steel Pipes and Tubes market size was USD 4900 million or approximately 13,72,000 MT in 2023.

Domestic Seamless Stainless Steel Pipes and Tubes

The Indian steel pipe market is estimated to be INR 60,000-65,000 Crore and is 8-9% of the global steel pipe market.

The Indian Seamless Stainless Steel Pipes and Tubes market size was USD 441 million or approximately 1,77,821 MT in 2023.

Pricing analysis

The export prices for Stainless steel seamless pipes in summarized in table below

	Price in INR/MT	
Year	Import price	Export price
2019-2020	2,46,528	3,02,879
2020-2021	2,30,074	3,96,140
2021-2022	2,92,406	2,85,037

2022-2023	3,65,433	4,59,703
2023-2024	3,22,617	4,82,851

Source: D&B-India secondary research

Further to the above table, D&B India notes that :

- The average import price was INR 3,22,617 per MT for FY24 as against the average export price of INR 4,82,851 per MT.
- Finance Ministry has imposed definitive anti-dumping duty on 'Stainless Steel Seamless Tubes and Pipes' from China. Valid for five years, the anti-dumping duty-imposed ranges from $114 to $3,801 per tonne depending on the producer.
- The latest move comes after the Directorate General of Trade Remedies (DGTR) in the Commerce Ministry in September this year recommended imposition of anti dumping duty on Stainless Steel Seamless Tubes and Pipes from China. The DGTR concluded that these products were exported at dumped prices to India, affecting the domestic economy.
- DGTR had initiated the investigation after Chandan Steel Ltd, Tubacex Prakash India Pvt Ltd, and Welspun Specialty Solutions Ltd had sought anti-dumping probe on this product from China.

The import prices of Stainless steel scrap for past 5 years is summarized in table below

S.No.	Country / Region	Rate in INR PMT				
		2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
1	Albania	-	93,918	98,708	24,879	1,29,119
2	Algeria	-	-	-	1,63,583	-
3	Angola	98,334	1,09,752	97,370	1,00,117	7,06,432
4	Australia	93,323	85,224	87,985	1,27,248	1,42,705
5	Austria	1,35,445	1,15,215	86,841	1,32,042	1,58,089
6	Bahamas	98,231	-	-	-	58,330
7	Baharain Is	1,04,670	91,971	1,03,143	1,64,730	1,60,247
8	Bangladesh Pr	89,723	85,057	88,447	1,44,088	1,51,334
9	Belgium	92,285	87,753	93,402	1,47,797	1,44,056
10	Benin	50,230	91,522	-	1,32,116	1,61,432
11	Bolivia	-	88,660	92,045	1,38,257	1,68,184
12	Botswana	64,000	85,143	-	78,667	1,05,146
13	Brazil	94,216	90,428	71,046	1,61,791	1,78,771
14	Bulgaria	1,13,621	1,03,475	1,04,892	1,76,659	1,56,366
15	Cameroon	-	-	-	-	1,81,660
16	Canada	1,01,196	96,941	1,00,412	1,54,120	1,50,283
17	Cape Verde Is	-	76,000	-	1,51,637	1,25,719
18	Chile	1,04,269	85,205	1,03,664	1,46,065	1,66,257
19	Taiwan	1,04,978	84,918	1,01,873	1,42,455	1,53,170
20	China P Rp	1,06,753	92,955	88,577	1,54,308	1,73,027

S.No.	Country / Region	Rate in INR PMT				
		2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
21	Colombia	99,151	87,558	92,217	1,44,175	1,37,625
22	Congo P Rep	1,07,175	91,011	85,108	1,14,120	1,24,208
23	Costa Rica	86,150	82,982	99,953	1,34,668	1,15,763
24	Croatia	-	-	-	78,174	1,22,733
25	Cyprus	1,11,338	91,658	1,04,621	1,46,575	1,34,462
26	Czech Republic	-	-	-	2,18,538	1,36,003
27	Denmark	1,18,323	85,560	89,612	1,63,051	1,50,807
28	Djibouti	-	-	-	1,39,567	1,09,639
29	Dominic Rep	92,179	94,907	97,779	1,57,271	1,48,667
30	Ecuador	1,07,318	88,350	98,472	1,39,454	1,51,322
31	Egypt A Rp	65,800	63,610	61,988	1,02,356	87,840
32	El Salvador	1,00,990	-	-	-	1,28,492
33	Estonia	1,02,552	94,362	1,16,714	1,81,368	1,59,591
34	Ethiopia	-	-	-	1,21,088	-
35	Equtl Guinea	-	-	-	43,528	51,847
36	Finland	62,992	86,610	82,963	1,07,645	1,21,968
37	Fiji Is	68,000	-	-	-	83,333
38	France	1,15,112	96,636	98,652	1,68,385	2,06,806
39	Fr Guiana	-	-	-	2,29,769	-
40	Gabon	1,00,053	87,018	87,126	1,40,567	1,26,890
41	Gambia	-	-	-	-	1,84,971
42	Georgia	1,27,805	65,216	1,51,229	1,72,277	1,41,024
43	Germany	1,06,654	1,01,434	1,02,552	1,56,851	1,56,056
44	Ghana	1,01,220	84,347	84,028	1,14,761	1,30,127
45	Greece	1,05,493	88,796	96,423	1,53,896	1,18,397
46	Guatemala	95,888	88,339	97,957	1,42,546	1,44,556
47	Guinea	82,501	85,272	61,504	65,327	1,03,976
48	Guyana	-	-	-	2,18,173	1,47,609
49	Honduras	1,04,719	92,312	98,220	1,52,114	1,46,686
50	Hong Kong	1,00,916	92,445	95,724	1,56,133	1,63,720
51	Hungary	-	37,553	-	85,308	-
52	Indonesia	78,944	73,317	80,403	1,22,201	1,40,075
53	Ireland	-	75,307	71,426	1,68,377	1,31,872
54	Israel	98,488	93,974	1,01,320	1,44,846	1,74,274
55	Italy	1,11,247	1,01,912	1,02,977	1,34,084	1,66,252
56	Cote D' Ivoire	97,333	80,082	79,144	1,30,293	1,49,277
57	Japan	79,899	55,092	54,762	1,15,485	1,11,213
58	Jordan	99,175	94,267	99,850	1,57,016	1,53,400

S.No.	Country / Region	Rate in INR PMT				
		2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
59	Kenya	70,392	74,136	77,151	1,08,700	1,00,132
60	Korea Dp Rp	-	-	32,126	63,318	-
61	Korea Rp	73,897	71,473	71,460	1,17,022	1,17,541
62	Kuwait	99,119	93,938	1,14,245	1,58,280	1,64,949
63	Latvia	96,411	21,466	24,556	1,13,331	1,55,392
64	Lebanon	1,01,671	94,242	94,927	1,51,014	1,57,728
65	Liberia	95,936	83,832	1,19,565	-	1,27,580
66	Libya	96,707	86,115	91,609	1,18,194	1,59,281
67	Lithuania	1,18,729	1,42,292	1,41,545	1,88,199	1,91,486
68	Macao	-	-	-	-	75,132
69	Madagascar	-	-	-	-	1,29,439
70	Malaysia	99,324	93,008	97,617	1,49,228	1,60,597
71	Maldives	-	-	-	76,567	91,014
72	Malta	35,870	-	-	1,63,843	-
73	Mauritania	99,490	87,553	96,347	1,15,760	1,17,980
74	Mauritius	72,118	78,070	83,508	1,10,168	1,25,179
75	Myanmar	65,713	54,540	55,661	95,840	1,02,239
76	Mexico	80,927	72,398	73,343	1,25,587	1,03,992
77	Morocco	1,05,837	94,615	95,753	1,60,157	1,85,528
78	Mozambique	1,15,423	86,415	93,455	1,37,596	1,32,801
79	Namibia	-	80,057	-	-	44,631
80	Nepal	30,570	44,895	37,729	38,991	41,444
81	Netherland	1,16,033	1,07,053	1,10,356	1,66,353	1,72,930
82	Netherlandantil	-	1,30,021	-	1,51,339	1,50,854
83	New Caledonia	-	-	-	1,74,836	-
84	New Zealand	96,815	86,739	91,215	1,16,726	1,54,299
85	Nicaragua	-	89,447	91,771	1,38,860	1,69,105
86	Nigeria	1,06,519	97,540	1,05,248	1,49,674	1,23,351
87	Norway	1,06,798	1,03,667	1,03,645	1,62,713	1,48,571
88	Oman	1,17,883	1,22,373	1,26,327	1,05,607	1,73,246
89	Panama Republic	1,42,118	88,733	85,102	1,10,703	68,096
90	Papua N Gna	-	-	-	53,867	1,23,993
91	Paraguay	1,05,625	92,559	91,980	1,42,389	1,35,368
92	Peru	93,151	82,747	93,108	1,31,462	1,44,236
93	Philippines	82,717	74,821	81,930	1,14,902	1,29,899
94	Poland	66,182	1,07,761	69,342	1,42,514	1,13,235
95	Portugal	82,163	56,176	1,02,866	1,44,911	1,32,161
96	Puerto Rico	99,013	92,076	92,090	1,55,689	1,50,355

S.No.	Country / Region	Rate in INR PMT				
		2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
97	Qatar	1,20,446	1,06,006	1,15,079	1,63,617	2,04,288
98	Reunion	62,956	42,561	46,113	62,176	1,07,510
99	Romania	1,44,005	1,12,121	1,36,951	2,23,700	1,68,643
100	Russia	1,05,721	95,561	1,18,338	1,88,550	1,56,765
101	Rwanda	-	-	-	-	1,24,990
102	Saudi Arab	1,01,315	92,505	1,08,365	1,61,975	1,74,772
103	Senegal	88,650	55,575	71,768	99,710	85,686
104	Seychelles	89,351	84,238	-	1,52,178	3,06,256
105	Sierra Leone	98,883	87,727	85,500	1,61,690	1,39,742
106	Slovak Rep	-	-	1,29,158	1,65,352	-
107	Singapore	1,02,491	92,670	96,620	1,47,997	1,52,716
108	Slovenia	54,815	64,742	37,731	2,05,947	1,72,810
109	South Africa	1,00,351	39,161	53,475	51,433	1,30,333
110	Spain	91,259	69,574	78,610	1,67,991	1,56,061
111	Sri Lanka Dsr	81,599	69,814	53,418	77,313	68,246
112	Sudan	57,795	77,169	71,309	1,25,135	1,26,029
113	Suriname	-	-	98,053	99,895	1,51,506
114	Sweden	90,525	85,981	90,619	1,45,293	1,53,623
115	Switzerland	1,15,274	92,223	1,02,278	1,25,398	1,73,192
116	Tanzania Rep	80,664	-	-	1,65,323	1,31,787
117	Thailand	92,099	83,463	90,858	1,31,894	1,32,195
118	Togo	78,639	61,925	83,638	1,14,745	87,708
119	Trinidad	53,599	89,605	42,456	1,00,113	1,67,184
120	Tunisia	1,01,049	70,182	99,872	1,64,883	1,36,674
121	Turkey	81,172	72,647	84,775	1,29,061	1,30,481
122	U Arab Emts	1,04,215	91,777	1,00,858	1,52,392	1,59,755
123	U K	1,07,511	83,293	82,466	1,16,867	1,30,758
124	Ukraine	-	-	-	1,85,394	-
125	U S A	88,863	78,780	79,044	1,20,876	1,30,701
126	Uruguay	1,04,850	96,989	75,268	75,421	1,21,354
127	Venezuela	95,678	95,648	89,281	1,59,442	1,38,126
128	Vietnam Soc Rep	62,576	63,540	66,995	1,01,948	1,22,942
129	Yemen Republc	-	37,720	1,13,649	1,13,682	1,50,067
130	Congo D. Rep.	-	-	93,481	1,31,858	1,19,200
131	Zimbabwe	-	-	-	-	1,40,750
132	Unspecified	1,25,692	38,004	43,510	48,074	1,14,986
	Others	1,13,487	87,055	1,04,370		
	Total	**94,015**	**85,480**	**89,379**	**1,38,083**	**1,43,558**

Source: D&B-India Secondary Research

Further to the above table, D&B India notes that :

- There was an increase in average Import price of SS scrap from INR 89,379 in 2021 to INR 1,38,083 in 2022 registering a yoy growth of 54%.
- Further the average Import price of SS scrap saw an increase of 4% from INR 1,38,038 in 2022 to INR 1,43,558 in 2023

The table below shows us the SS Ingot prices for 300 series:

SS Ingot Prices: Mumbai			
Rs./kg : Apr 2018 to Mar 2023			
Month	SA 240 Type 304	SA 240 Type 304	SA 240 Type 304
	1-3 mm (HR)	4-12 mm (HR)	13-100 mm (HR)
Jun-18	175	170	175
Feb-19	180	160	175
May-19	175	170	175
Oct-19	175	170	175
Feb-20	190	178	183
Feb-21	190	178	183
Mar-21	190	178	183
May-21	194	182	187
Jun-21	197	184	189
Jul-21	192.7	182.7	183
Aug-21	215	215.8	221.8
Sep-21	248.7	258.7	263.7
Oct-21	261.2	266.2	271.2
Nov-21	262	267	272
Dec-21	251	256.3	261.3
Jan-22	255	260	265
Mar-22	296	300	310
May-22	289	293.5	303.5
Jun-22	275	285	295
Jul-22	270	280	290
Sep-22	270	280	290
Oct-22	270	280	290
Nov-22	270	280	290
Dec-22	280	290	300
Feb-23	274	284	292
Mar-23	270	280	288
Apr-23	270	280	288
Jul-23	270	280	288

Sep-23	268	275	280
Oct-23	261	246.7	255
Nov-23	253	228.7	238.7
Dec-23	252	228	238
Jan-24	253.3	229.3	238.7
Feb-24	251.3	226.7	236.3
Mar-24	255	230	240
Apr-24	250	225	235
May-24	250	225	235
Jun-24	235	217.5	227.5

Source: D&B-India Secondary Research

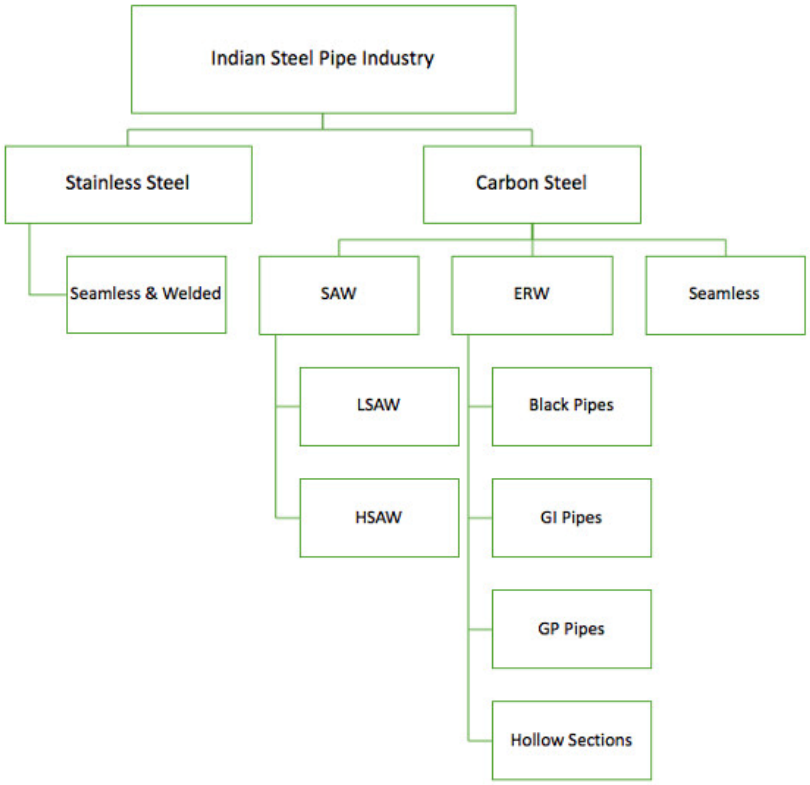
Further to the above table, D&B India notes that:

- The prices for all three thickness categories show a general upward trend from 2018 to early 2022, followed by a decline and stabilization in recent months.
- The highest prices were observed in March 2022, with 1-3 mm at Rs. 296/kg, 4-12 mm at Rs. 300/kg, and 13-100 mm at Rs. 310/kg.
- There was a noticeable price increase in early 2020, possibly due to the onset of the COVID-19 pandemic, with prices remaining stable throughout 2020 and early 2021.
- A sharp price increase occurred between July 2021 and March 2022, with prices rising by over 50% across all thickness categories.
- From March 2022 onwards, prices have generally decreased, with the most recent data (June 2024) showing the lowest prices since mid-2021.
- Throughout most of the period, the 13-100 mm category commanded the highest price, followed by 4-12 mm, and then 1-3 mm. However, this relationship occasionally inverted, particularly in recent months.

Industry Structure

The Industry structure of Steel pipes is depicted in below image

Indian Steel Pipe Market



Source : D&B Secondary Research

Seamless pipes Usage in Oil and Gas Industry

Stainless steel seamless pipes play a significant role in crude oil extraction and the overall oil industry. They are commonly used in several stages of the crude oil extraction process, including drilling, production, transportation, and refining. Here's a breakdown of their relationship to crude oil extraction:

- Drilling: Stainless steel seamless pipes are used in drilling operations to extract crude oil from the ground. They are incorporated into the drilling equipment, such as drill strings and casing pipes, to provide structural support and maintain the integrity of the wellbore. These pipes are capable of withstanding high pressures and harsh drilling environments.
- Production: Once a well has been drilled, stainless steel seamless pipes are used to transport the extracted crude oil from the well to the surface. They form the production tubing, which is installed inside the wellbore, and they are designed to withstand the corrosive and high-pressure conditions present during oil production.
- Transportation: Stainless steel seamless pipes are essential for the transportation of crude oil from the production site to refineries or storage facilities. They are commonly used in pipelines that span long

distances and are responsible for carrying vast volumes of crude oil. These pipes offer excellent corrosion resistance, ensuring the integrity of the pipeline and minimizing the risk of leaks or failures.

- Refining: Stainless steel seamless pipes are employed in the refining process of crude oil. They are used in various refinery units, such as distillation columns, heat exchangers, and reactors. These pipes handle the transportation of different fluids, including crude oil, refined products, and various chemical compounds, throughout the refining operations.

In each of these stages, stainless steel seamless pipes are favored due to their exceptional properties. Stainless steel is highly resistant to corrosion, which is crucial when dealing with corrosive substances like crude oil. Additionally, stainless steel offers high strength and durability, allowing the pipes to withstand the demanding conditions encountered during crude oil extraction and transportation.

Overall, stainless steel seamless pipes contribute to the efficiency, safety, and reliability of the crude oil extraction process by providing durable and corrosion-resistant infrastructure for drilling, production, transportation, and refining operations.

The consumption of stainless steel seamless pipes depends on various factors, including the depth and complexity of the well, the type of extraction method employed (e.g., conventional drilling, hydraulic fracturing), and the specific infrastructure design.

Typically, stainless steel seamless pipes are used in the production tubing, which is installed inside the well to transport the crude oil to the surface. The length and diameter of the production tubing, as well as the number of wells in operation, will impact the overall consumption of stainless steel seamless pipes.

It's important to note that consumption norms can vary significantly depending on the specific circumstances. A reliable estimation of the consumption norm would require detailed information about the specific well, the production system, and the associated infrastructure. These factors can vary widely across different oil fields, making it difficult to provide a specific consumption norm applicable to all situations.

In practice, oil companies and engineers involved in oil production and well design evaluate factors such as well depth, production rates, corrosion rates, and other engineering considerations to determine the appropriate specifications and quantities of stainless steel seamless pipes required for a particular project.

Demand Supply Scenario

The Demand supply scenario for given in table below

	Production, Imports, Exports and Consumption of Steel Pipes & Tubes				Seamless Pipes and Tubes (Alloy +SS)		Seamless - Stainless Steel	
Year	Production	Imports	Exports	Consumption				
	MT	MT	MT	MT	%	MT	%	MT
2011-12	43,59,510	7,48,592	18,06,273	33,01,829	7%	2,30,360	35%	80,626
2012-13	47,91,100	5,88,687	19,29,093	34,50,693	7%	2,40,746	35%	84,261
2013-14	47,61,600	5,40,166	14,35,367	38,66,399	7%	2,69,749	35%	94,412
2014-15	49,95,000	6,02,371	15,45,545	40,51,827	7%	2,82,686	35%	98,940
2015-16	52,16,700	5,97,082	11,45,927	46,67,855	7%	3,25,664	35%	1,13,983
2016-17	49,68,400	6,59,726	14,51,526	41,76,600	7%	2,91,391	35%	1,01,987
2017-18	51,84,000	6,63,208	15,07,862	43,39,346	7%	3,02,745	35%	1,05,961
2018-19	54,93,600	8,83,164	11,23,998	52,52,766	7%	3,66,472	35%	1,28,265
2019-20	66,83,000	8,14,102	11,49,376	63,47,727	7%	4,42,865	35%	1,55,003
2020-21	59,00,800	5,00,891	9,88,792	54,12,899	7%	3,77,644	35%	1,32,175
2021-22	63,20,600	5,03,914	11,91,670	56,32,844	7%	3,92,989	35%	1,37,546
2022-23	80,46,800	5,29,116	12,93,726	72,82,190	7%	5,08,060	35%	1,77,821
2023-24	96,77,300	6,96,086	15,82,800	87,90,586	7%	6,13,297	35%	2,14,654

Source: D&B-India secondary Research

Further to the above table, D&B India notes that:

- Steel pipe and tube production has generally increased over the years, with significant jumps in 2019-20, 2022-23, and 2023-24. The Production nearly doubled from 43,59,510 MT in 2011-12 to 96,77,300 MT in 2023-24.
- Import volumes have fluctuated over the years, peaking at 8,83,164 MT in 2018-19. There was a notable decrease in imports during 2020-21, possibly due to the global pandemic, followed by a gradual increase in subsequent years.

- Export volumes have shown considerable variation. They peaked at 19,29,093 MT in 2012-13 and hit a low of 9,88,792 MT in 2020-21. There's been a recovery in exports since then, reaching 15,82,800 MT in 2023-24.
- Overall consumption has trended upward, more than doubling from 33,01,829 MT in 2011-12 to 87,90,586 MT in 2023-24. This suggests growing domestic demand for steel pipes and tubes.
- Seamless Pipes and Tubes (Alloy + SS) consistently represents 7% of the total consumption throughout the entire period.
- Seamless - Stainless Steel makes up approximately 35% of the Seamless (Alloy + SS) category across all years. The consumption of stainless-steel seamless pipes and tubes has grown from 80,626 MT in 2011-12 to 2,14,654 MT in 2023-24, aligning with the overall growth in consumption.

The demand supply gap and likely market share for Rajputana is shown below

Domestic Demand Supply Balance (MT)								
Year	Production	Imports	Exports	Consumption	**Potential Gap in Production**	**Supply by Rajputana**	**% catered by Rajputana for Potential GAP**	**% of Overall India Market**
2019-2020	1,38,056	21,721	4,774	1,55,003				
2020-2021	1,23,649	11,975	3,448	1,32,175				
2021-2022	1,28,514	12,722	3,690	1,37,546				
2022-2023	1,71,514	10,338	4,030	1,77,821				
2023-2024	2,10,451	8,160	3,957	2,14,654				
2024-25 (E)	2,44,821	10,338	4,030	2,38,514	73,307			
2025-26 (E)	2,71,333	10,338	4,030	2,65,025	26,512			
2026-27 (E)	3,00,791	10,338	4,030	2,94,484	29,459	2,400	8%	**0.80%**
2027-28 (E)	3,33,525	10,338	4,030	3,27,218	32,733	4,800	15%	**1.44%**
CAGR Growth	**11.12%**			**8.48%**				
Source: D&B-India								

Further to the above table D&B-India notes;

- The Production is estimated to grow at a CARG of 11.12% as against the consumption of 8.48% between 2019-2023.

- The Consumption of SS Seamless pipes in FY 2024 was 2,14,654 MT and is estimated to grow to 3,27,218 MT by FY 2028 at the compound annual growth rate (CAGR) of 8.48%.
- The potential gap in production would be 29,459 MT for FY 2027 of which Company would be able to cater 2,400 MT which is 8% of the Gap.

Macroeconomic Scenario

After a healthy rebound in 2021, the global economy witnessed a stagflationary situation in 2022, as growth across the major countries moderated and inflation remains sticky at record-high levels in the face of aggressive monetary tightening around the world.

Real GDP growth	2021	2022Est.	2023P	2024P
World	**6.0%**	**3.4%**	**2.9%**	**3.1%**
India	8.7%	6.8%	6.1%	6.8%
China	8.1%	3.0%	5.2%	4.5%
Japan	1.7%	1.4%	1.8%	0.9%
USA	5.7%	2.0%	1.4%	1.0%
UK	7.4%	4.1%	-0.6%	0.9%
EU	5.2%	3.5%	0.7%	1.6%

Source: International Monetary Fund, January 2023 Outlook

Uncertainty related to food and energy supply emerged as major risk to stable governance, debt sustainability and business continuity across developed and emerging markets. The three economic heavyweights - the US, China, and the EU - continue to grapple with a host of challenges. Consequently, even fundamentally strong, export-oriented developing markets faced weak growth in 2022.

As the global economy continues to slowdown, central bankers are ramping down the pace of interest rate hikes, the policy playbook deployed in the two previous global recessions might not work this time. What complicates the job of central bankers are unusually tight labour markets, which translate into high demand pressures, and the fact that evidence of inflation reduction globally is still quite weak. However, the consensus points toward the fact that a global recession may not be upon us, but a global slowdown has been set in motion and businesses should remain vigilant and resilient.

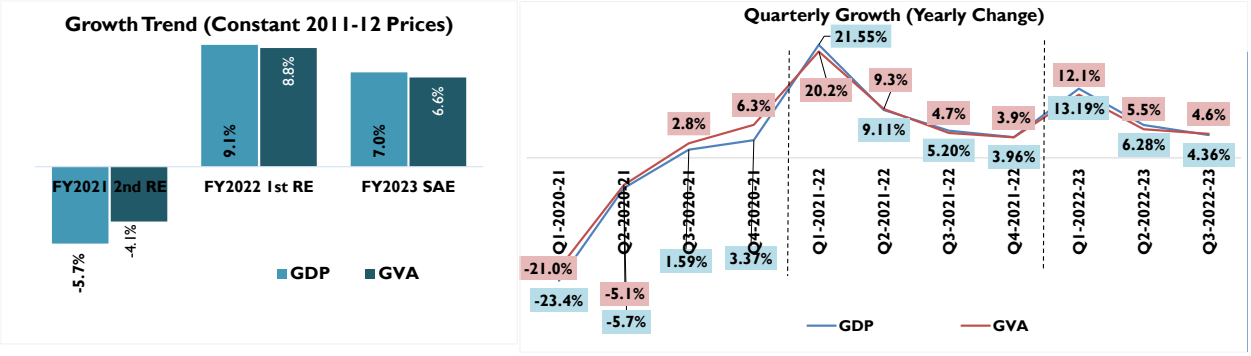
Business especially with cross border linkages should consider two key points. The timing and intensity of this economic slowdown is likely to differ as the US is on a much better footing than the EU; and some developing markets in Asia, the Middle East and Latin America will outperform the US in coming months. Secondly, businesses cannot rely on the kind of policy support that was forthcoming in the last two global recessions (2008 and 2020). With higher interest rates, government debt is now costlier, hence fiscal support, too, will likely be limited or targeted. Businesses must thus critically assess the implications of the slowdown on their operations, their subsidiaries, or suppliers.

The first month of 2023 was quite eventful - Croatia joined the Eurozone as its 20th member, Brazil witnessed a mini-insurrection, India overtook China as the world's most populous nation, and the US hit its debt ceiling. Before this quarter ends, the conflict between Russia and Ukraine will have crossed its one-year mark, the Bank of Japan would have selected a successor to its longest-serving governor, and President Xi would have been confirmed as China's top leader for another term. Some of these events may have profound implications over the coming decades, while the others may pose the biggest risk to the global economy in 2023.

Given where inflation levels are currently hovering (and the fact that core pricing pressures have not yet abated), more will have to be done to weather the storm. This is reflected in central bank commentaries. We expect central banks, including the US Fed, to continue hiking rates in the upcoming meetings of Q1 2023, albeit at a slower pace. Whether this will result in a global recession is not even the most important question at this point. What businesses should know is that we are heading toward a synchronized global economic slowdown, and that they should prepare

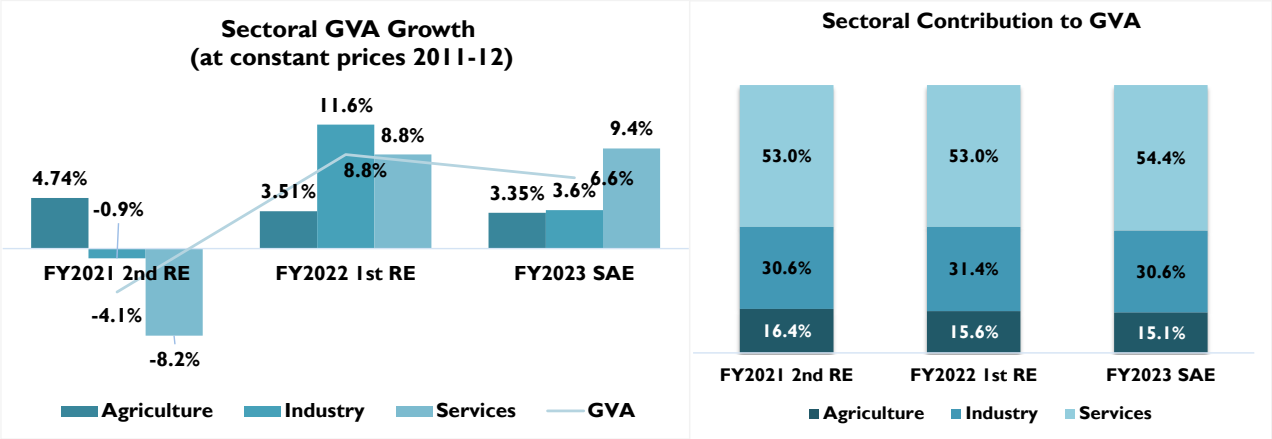
for a possible recession in developed markets. Further, the logic that a central-bank-engineered recession (if at all) should be mild, might hold true for the US, but in Europe, the course that the ongoing Russia-Ukraine war takes may continue to impact outcomes. Moreover, milder than usual weather has played an important role in easing pressure on energy prices in Europe.

India's Key Economic Indicator



Sources: MOSPI,

As per MOSPI second advance estimate(SAE), India's GDP in FY 2023 is expected to slowdown to 7% from 9.1% in the previous fiscal on the back of slowing domestic as well as external demand owing to series of interest rate hikes globally to tackle high inflation. The year-on-year moderation in growth rate is also partly due to a fading impact of pandemic-induced base effects which had contributed towards higher growth in FY 2022. On quarterly basis, the country growth moderated in Q2 and Q3 of FY 2023 which highlights impact of slowing economy on the back of monetary tightening. During Q3 FY 2023, the country's GDP grew by 4.36% against 6.28% y-o-y increase in the corresponding quarter last fiscal.



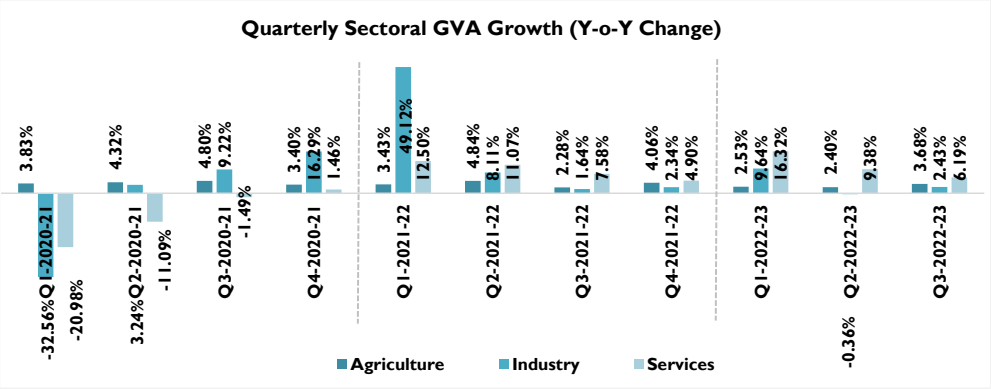
Sources: MOSPI

Sectoral analysis of GVA reveals growth tapered sharply in industrial sector which is estimated to grow by just 3.6% against 11.6% in the previous fiscal. In the industrial sector, growth across major economic activity such as mining, manufacturing, construction sector slowed and it registered a growth of 3.38%, 0.56% and 9.12% in FY 2023 against a decline 7.07%, 11.05% and 14.82% in FY 2022, respectively.

Utilities sector too observed a marginal moderation in y-o-y growth to 9.15% against a decline of 3.6% in the previous years.

Talking about the services sectors performance, with major relaxation in covid restriction, progress on covid vaccination and living with virus attitude, business in service sector gradually returned to normalcy in FY 2022. Economic recovery was supported by the service sector as individual mobility returned to pre-pandemic level. The trade, hotel, transport, communication, and broadcasting segment continued to strengthen and grow by 14.18% in FY 2023 against 13.75% in the previous year and financial services, real estate and professional services sector recorded 6.85% y-o-y growth against 4.73%. However, overall service sector growth was curbed by moderation in public administration and defense services sector which recorded 7.12% yearly increase against 9.7% increase in the previous year.

Quarterly GVA Performance



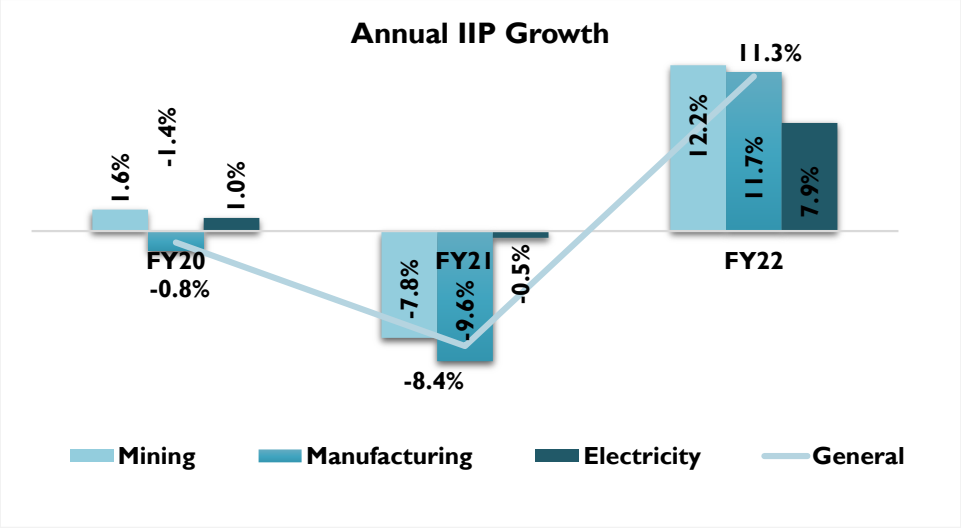
Source: MOSPI

Quarterly GVA number indicated sustained weakness in economic activity during Q3 FY 2023 with manufacturing activity being the worst hit segment amongst the industrial sectors. India's manufacturing sector shrank by 1.1% on-year in Q3 FY 2023, a second straight contraction highlighting the continuing weakness in consumer demand and exports. In Q2 FY 2023, manufacturing sector output was down by 3.57%. While quarterly growth in both agriculture and other sectors within industrial sector strengthened during Q3 FY 2023. Agriculture sector GVA strengthen in Q3 FY 2023 to register 3.68% yearly growth compared to both corresponding quarter last year (2.28%) and previous quarter (2.4%) in FY 2022. Any growth between 3.5-4% in farm sector is considered above the long-term trend line. Construction sector witnessed 8.39% y-o-y growth in Q3 of FY 2023 against 5.85% y-o-y growth in the previous quarter, mining and quarrying sector, and Electricity, gas ,water supply& other utility services sector registered 3.7% and 8.24% y-o-y growth against -0.4% and 5.96%, respectively. In Q3 FY 2022, yearly growth stood as 0.23%, 5.42% and 5.99% in construction, mining and quarrying and Electricity, gas ,water supply& other utility services sector, respectively.

Within service sector, quarterly growth moderated across all segments in Q3 FY 2023 against the previous quarter. Trade, hotel, transport, communication, and broadcasting segment observed 9.56% y-o-y growth in Q3 as compared to 15.64% growth in the last quarter. Other services sector broadly classified under Public Admin, Defence & Other Services and Financial, Real Estate & Professional Services too observed 1.99% and 5.79% growth in Q3 FY 2023 against 5.57% and 7.13% y-o-y change in Q2 FY 2023.

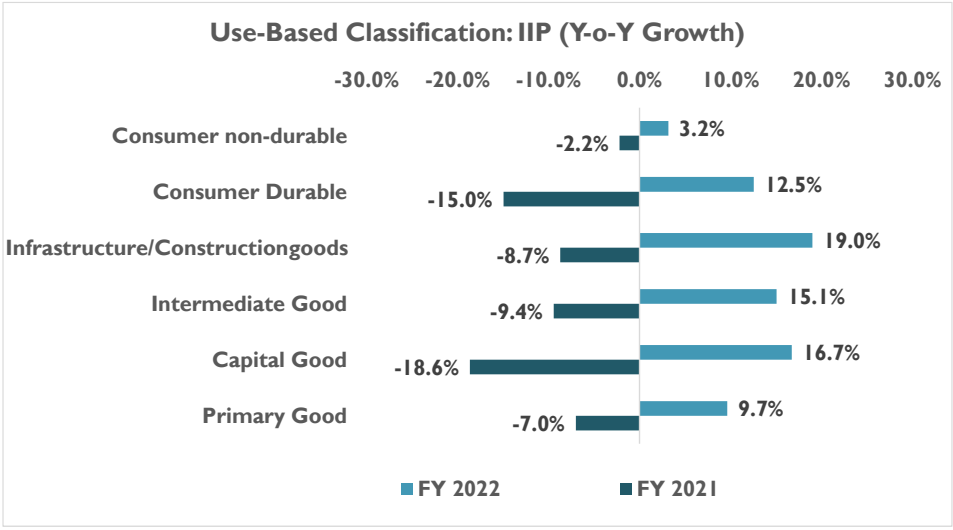
IIP Growth

After experiencing three years of deteriorating IIP growth, the country's IIP index registered 11.3% y-o-y growth where growth was evenly spread across all sub-segments. Manufacturing index, with 77.6% weightage in overall index, registered 11.7% y-o-y growth in FY 2022 while mining sector index registered the highest growth.



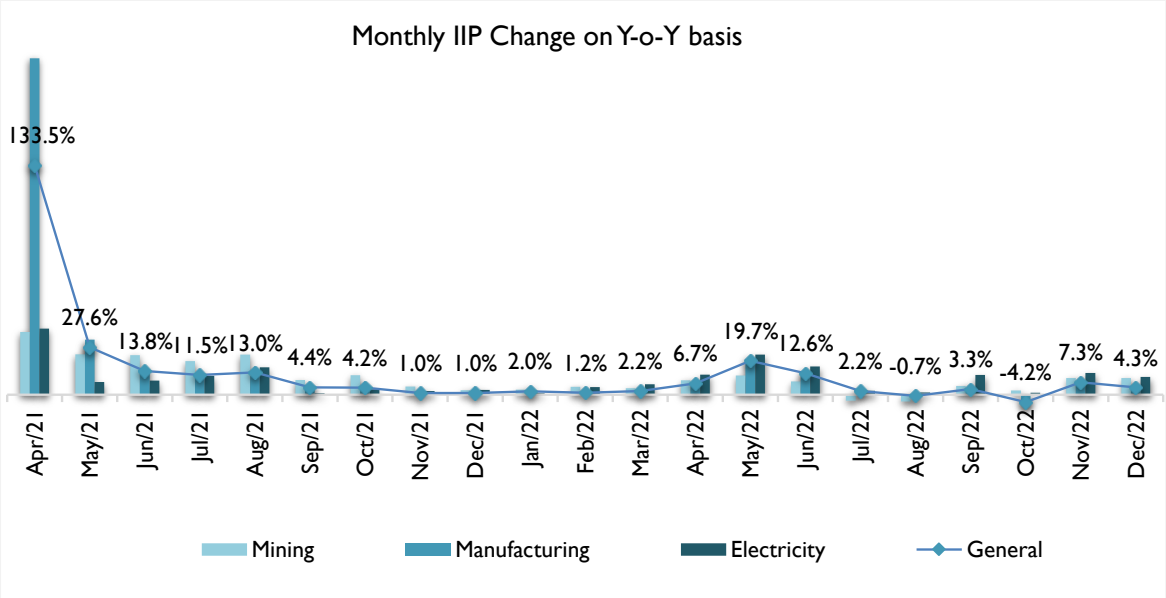
Source: MoSPI

On use-based classification basis, infrastructure/construction goods, capital good, intermediate good and consumer durable outperformed over the other sector and registered healthy double-digit growth.



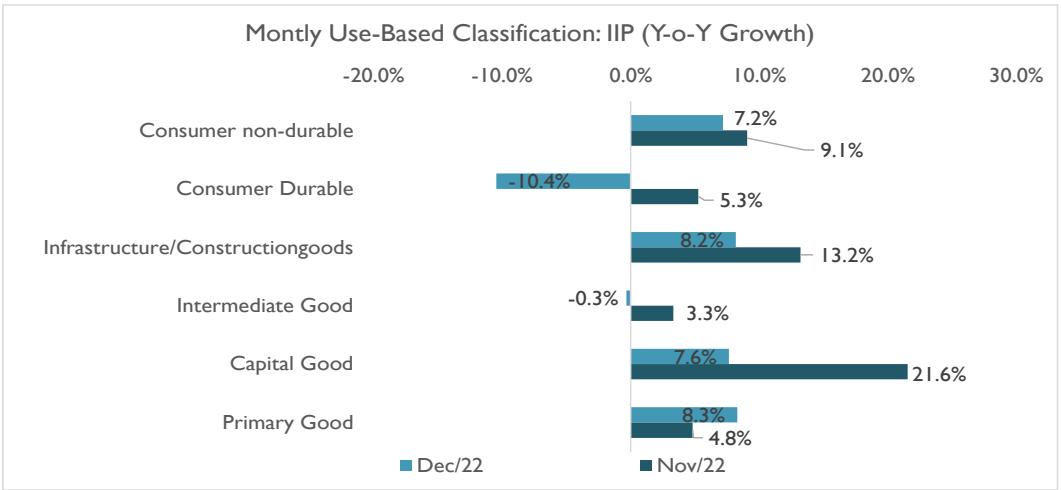
Source: MOSPI

Monthly IIP Performance



Source: MoSPI

In current year, IIP index which improved steadily between March to May moderated sharply in the subsequent three month and it measured lowest in October 2022 while it showed temporary improvement by growing at 7.3% in subsequent. However, IIP again moderated to register 4.3% y-o-y growth in December 2022. Manufacturing activity which has 77.6% weightage in the overall index, grew by 2.6% in December 2022 while mining activity and electricity index grew by 9.8% and 10.4%, respectively. On y-o-y basis, monthly IIP growth in December 2022 was relatively higher compared to previous year due to low base effect where overall IIP was adversely affected by onset of third wave of pandemic. Low base affect and year end festive sale are likely to support IIP growth in the coming month. However, moderation in external demand and consequent decline in trade have potential to affect manufacturing sector output and putting downward pressure on overall IIP growth. .

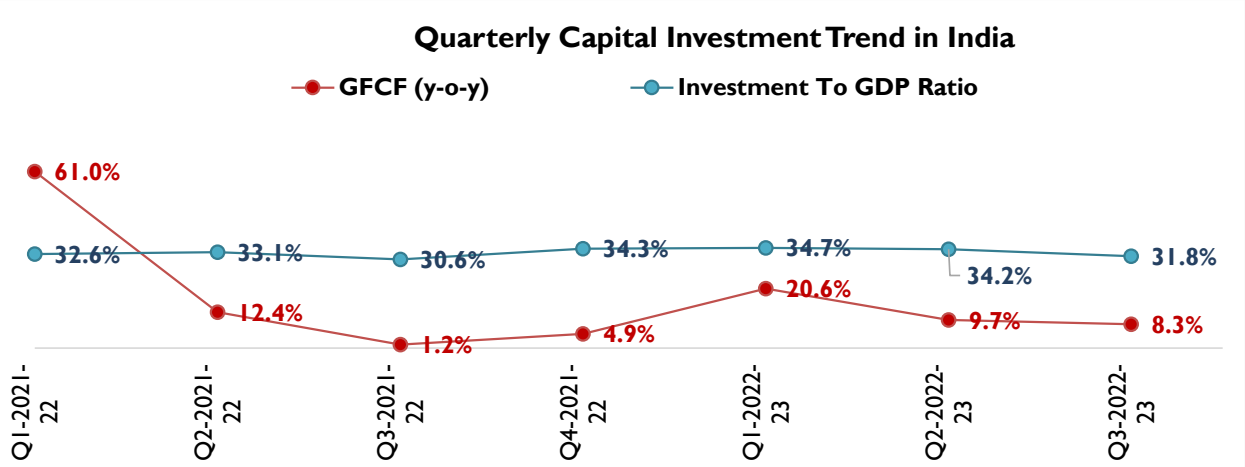


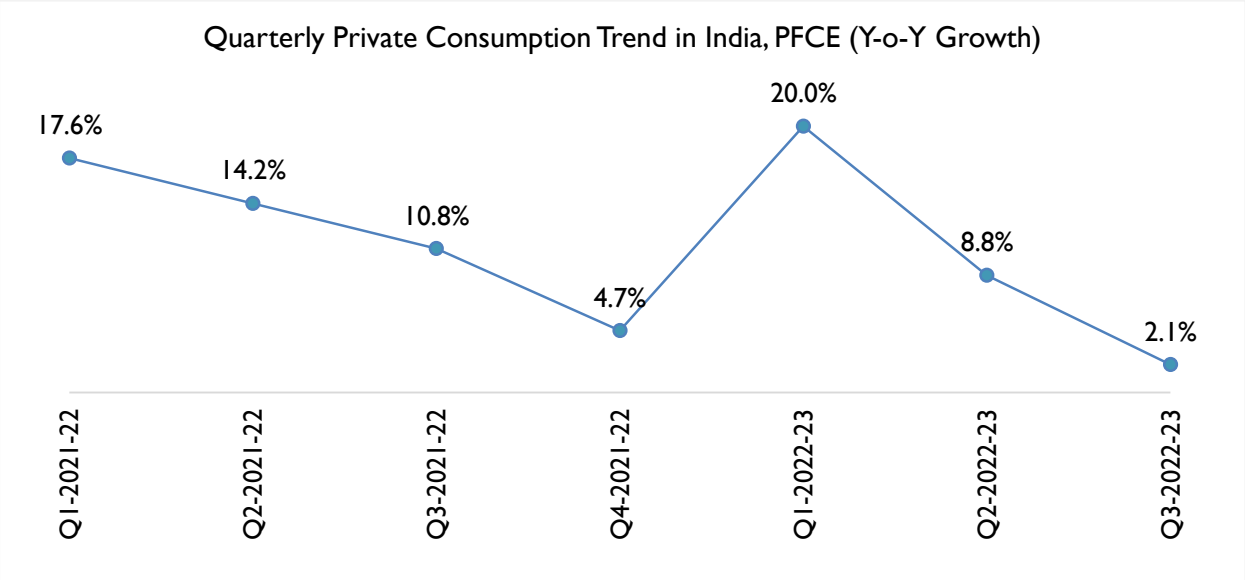
Sources: MOSPI

As per the use-based classification, growth in all segments excluding primary goods deteriorated in December 2022 against previous month. Consumer good and intermediate goods were worst hit segments. The Contracting IIP data points towards adverse operating business climate as global headwinds, high inflation, and monetary tightening started having adverse impact on manufacturing activity.

Growth Trend in Investment & Consumption Demand

Other major indicators such as Gross fixed capital formation (GFCF), a measure of investments, moderated during Q2 FY 2023 and Q3 FY 2023 while 8% y-o-y growth number was encouraging against 1.2% yearly growth in Q3 FY 2022.



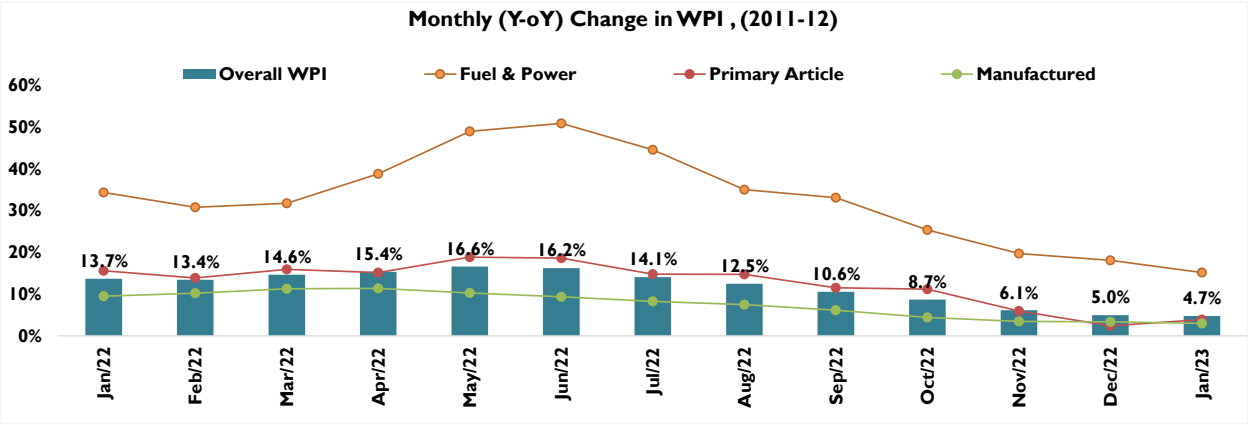


Sources: MOSPI

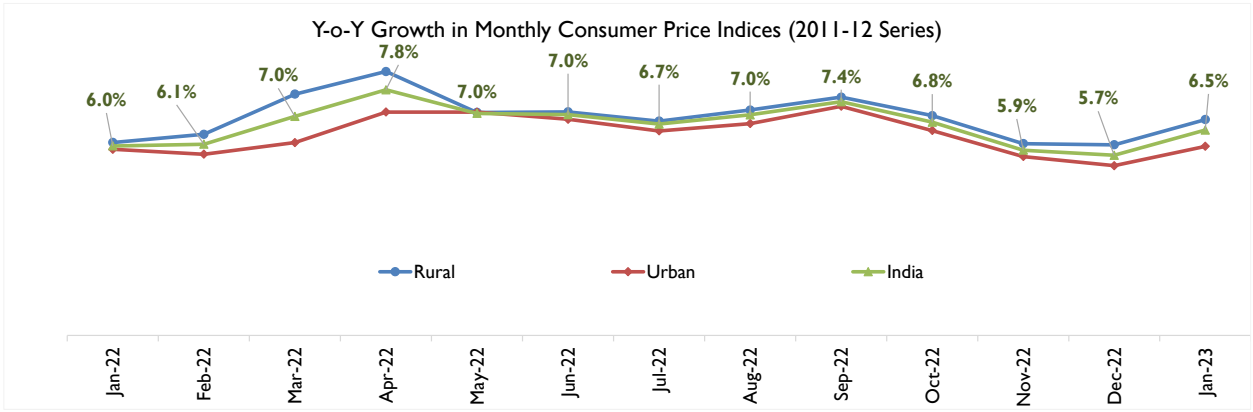
Despite the festive season demand and largely a covid-free economy, Private Final Consumption Expenditure (PFCE) a realistic proxy to gauge household spending, observed a continued moderation in Q3 FY 2023 where yearly growth softened to 2.1% which was nearly 7% lower compared to Q2 FY 2023.

Price/Inflation Scenario

India's inflation rate based on Wholesale Price Index (WPI) moderated to nearly 24 months low with 4.7% y-o-y change in January 2023 against 5% (y-o-y) increase in the December 2022. Softening prices of mineral oils, chemicals & chemical products, textiles, crude petroleum & natural gas, textiles, and food products. contributed towards moderation in WPI inflation rate in January 2023. Separately, The Food Index which consisting of 'Food Articles' from Primary Articles group and 'Food Product' from Manufactured Products increased to 2.95% in January 2023 from 0.65% in December 2022.



Source: MOSPI, Office of Economic Advisor



Source: CMIE Economic Outlook

Retail inflation rate (as measured by Consumer Price Index) again jumped above 6% tolerance limit of the central bank in January 2023 after observing mild moderation in the previous two month. The overall CPI grew by 6.5% in January 2023 due to spike in food inflation and CPI food index grew by 5.9% during FY 2023 against 4.2% y-o-y growth in the previous month. Within food index, Cereals and product-led food inflation reached 16.1 per cent in January 2023 from 13.8 per cent in December 2022. As a part of anti-inflationary measure, the RBI has hiked the repo rate by 225 bps since May to current 6.25%, with latest fourth round hike announced on 8 Feb 2023. The Reserve Bank of India has estimated an average inflation rate of 6.5% for FY 2023.

External Sector

India's merchandise exports continued to grow at subdued CAGR of 4.4% during FY 2018-22 while imports grew at 4.8% CAGR. On annual basis, both exports and imports exhibited stellar performance in FY 2022 backed by recovery in global growth and domestic economic activity. Exports surged by 21% and import by ~30% in FY 2022 against -9.2% and -13.8% y-o-y change in the previous year, respectively. Improving foreign trade was backed by favorable base, elevated commodity prices and low policy rate that pushed domestic demand. However, the scenario turned unfavorable in the current fiscal with widening trade deficit, CAD breached the sustainable limit of 3% of GDP in July 2022 and is likely to widen to a decadal high to measure 3.9% in FY 2023.

Economic Growth Outlook

Even as India remains the fastest growing economy globally, the intensity of global spillover remains uncertain. As the global economy is headed towards a synchronized economic slowdown, the risk from the external crisis is far from over. India will not remain completely insulated from the external economy which is hardly out of the woods. Widening of the current account deficit, volatile foreign investment inflows, depreciating rupee, risk aversion of global investors and tightening of liquidity could impede India's growth momentum if the global economic environment deteriorates. Net profit growth (y-o-y) of non-financial corporates remained negative for the second consecutive quarter, according to the RBI's data. Dun & Bradstreet's survey of corporates across India also indicate that the optimism for both net sales and selling price for Q1 2023 were the lowest since Q3 2021.

Amidst the difficult and uncertain external economic environment, the Indian government has delivered a balanced Union Budget which focuses on achieving an inclusive and sustainable growth while adhering to the fiscal glide path. Notwithstanding the external risk, there is a sustained momentum in economic activity supported by domestic drivers. The consumer confidence survey by the Reserve bank of India points towards rising confidence of households both for the current situation as well as the future expectations (for a one-year period). Rural demand is likely to be boosted by good prospects for agricultural output and discretionary spending is expected to support urban consumption supporting. Resilient domestic financial markets, sturdy growth in credit and the government's thrust on capital expenditure is expected to drive momentum in investment activity. Capacity utilization in the manufacturing sector has surpassed its long period average. Thus, the stance taken by the government to not only emphasize on the top-down approach to growth i.e focusing on substantial capital outlay, but also to place focus on the bottom of the pyramid by trying to unleash the potential of the primary sector in the Union Budget should support India's growth momentum in 2023.

Regulatory Landscape

Iron and steel industry play a strategic position in the overall infrastructure industry. Therefore, the government has been taking sustained initiative on yearly basis towards the development of the industry. The Government has de-licensed the manufacturing of steel pipes and tubes, and caps on foreign investment has been removed. This move, as part of the larger industrial sector reforms which was implemented in 1991 and subsequent years, have helped in improving the technology level in the industry, apart from attracting capital. Further trade restrictions (primarily international trade) was also lifted as India became a signatory to global trade pacts. Currently, 100% FDI under automatic route is allowed in the steel sector.

National Steel Policy 2017

This policy was initiated with the intention to create a globally competitive steel industry in India. It is an updated version of National Steel Policy 2005. The achievement targets outlined under National Steel Policy 2017 is likely to have a favorable impact on supply side dynamics and strengthen the indigenous manufacturing capabilities. Key policy objectives include:

- Increase the per capita steel consumption 158 kg by FY 2031.
- Reduce the dependency on imports of coking coal from 85% to 65% by FY 2031.

- Domestically meet the demand for high grade automotive steel, electrical steel, special steel etc. by FY 2031.
- Attain global standards in Industrial safety, reduce the carbon footprint and have energy efficient steel production.

Strengthening the raw material supply chain- To reduce dependency on steel imports, in Dec 2020, the Ministry of Steel, Government of India, signed a Memorandum of Cooperation (MoC) with the Ministry of Economy, Trade and Industry, Government of Japan, to boost the steel sector through joint activities under the framework of India - Japan Steel Dialogue. On 14th October 2021, the Ministry of Steel also signed MoU with the Russian Federation for cooperation in the field of coking coal, used for steel making. This initiative is expected to strengthen the steel sector in terms of, capacity building, energy efficiency, trade and investment etc. which bodes well for the stainless-steel pipe industry as well.

Stainless steel pipes notified under Steel Quality Control Order: To ensure the availability of quality steel to the industry, the Ministry of Steel introduced the 'Steel Quality Control Order' banning sub-standard/ defective steel products both from domestic players & imports. As per the Order, it is ensured that only quality steel conforming to the relevant BIS standards is made available to the end users in the country. As on Dec 2020, 145 Indian Standards have been notified under the 'Quality Control Order' which covers carbon steel, alloy steel and stainless steel. In addition, goods & articles made up of steel such as stainless-steel pipes & tubes, laminations/ cores of transformers, products of tin plate & tin free steel etc. have also been notified to prevent circumvention of the 'Steel Quality Control Order'. During the year 2020, 78 additional Indian Standards have been notified under the 'Quality Control Order'. The order excludes product meant for export as Indian manufacturers making product for export purpose are required to comply with the destination market standard.

Anti-Dumping Duty

Removal of trade restrictions led to the inflow of cheaper imports from China, Vietnam, and South Korea, causing considerable injury to domestic manufacturers. To protect the domestic steel pipes and tubes industry from imports, the Government in 2016 imposed provisional anti-dumping duty on import of seamless tubes, pipes, and hollow profiles of iron, alloy or non-alloy steel. After further investigations, the revenue department converted it into a definitive anti-dumping duty. This duty is effective for a period of five years, starting from May 2016. The levy imposed as part of the anti-dumping duty is in the range of USD 961.33 and USD 1,610.67. High custom duties and an anti-dumping policy specially to curb cheap imports from China have so far kept imports under check.

Extension of anti-dumping duty on seamless tubes and pipes:

The anti-dumping duty on seamless tubes, pipes and hollow profiles of iron, alloy, or non-alloy steel (other than cast iron and stainless steel), whether hotfinished or cold drawn or cold rolled of an external diameter not exceeding 355.6 mm, which was first imposedin May 2016 for five years to encourage domestic manufacturing has been extended till 31st Oct 2021.

Domestically manufactured iron and steel products policy (DMISP):

On 8th May 2017, the Government released a DMISP policy to prefer the domestically manufactured iron & steel products in Government procurement. To align with the Government "Atmanirbhar Bharat" scheme, Ministry of

Steel notified amendments / additions to the DMISP Policy in Dec 2020 which was last revised, 2019. The amended policy further broadens the scope of the policy to promote domestic manufacturing in the steel sector. Domestic steel has been defined as one which has been manufactured in India with value addition ranging from 15-50%. So far (till end of 22nd March 2022), the Policy has led to import substitution of more than INR 224 Bn worth of steel which indicates increasing usage of domestic steel in government procurement thereby contributing in creating more job opportunities and strengthening the overall economy.

With respect to SS pipes & tubes, this policy has the potential to increase the procurement of domestically manufactured Flexible Flow Solutions made with Stainless Steel Corrugation by PSUs in manufacturing sector, particularly Oil & Gas sector where PSU presence is significant. This creates a direct opportunity for established large players in this industry.

Union Budget 2023-24

The government continued with its thrust on infrastructure expenditure as in the last budget. In FY 2024, budget emphasized on infrastructure development which is crucial for the steel industry, which is heavily reliant on infrastructure projects for demand. The key highlights were

- Steelmakers are expected to add around 38.5 million tonnes per annum (mtpa) of new capacity by FY27.
- Industry leaders call for anti-dumping measures to protect against low-priced imports, especially from China, which affect domestic margins.
- Proposals to remove customs duty on coking coal, rationalize taxes on natural gas, electricity, and iron ore to reduce input costs and improve sustainability
- Extension of the concessional tax rate of 15% for new manufacturing companies, which is crucial for large investments delayed due to the pandemic and geopolitical tensions.
- Requests for long-term exemptions on basic customs duties for essential raw materials like ferro nickel and ferro molybdenum (Business Standard).
- Encouragement for the adoption of greener process routes and research and development incentives to promote sustainable practices within the industry

Peer Analysis

Venus Pipes & Tubes Ltd. (India)

Incorporated on February 17, 2015, Venus Pipes and Tubes Ltd manufactures and exports stainless steel pipes and tubes, including high precision and heat exchanger tubes, hydraulic and instrumentation tubes, seamless and welded pipes, and steel box pipes. Their products serve sectors such as chemicals, refineries, oil and gas, and power plants. Based in the Kutch region of Gujarat, their facility spans 11 acres and exports to over 20 countries. Major clients include NTPC, RCF, and Thermax. Certifications include ISO 9001:2015 and PED 2014/68/EU.

All figures in INR Crore

Profit & Loss Statement	2024	2023	2022	2021	2020
Total operating revenue	802.20	552.68	386.95	309.33	177.81
Net sales revenue	802.20	546.47	386.95	309.33	177.81

Cost of goods sold		-449.93			
Gross profit		96.54			
Selling and distribution expenses		-33.33			
Administrative expenses	-58.22		-9.84	-6.10	-3.70
Changes in inventories of finished goods and work in progress	56.90		47.67	1.73	8.42
Raw materials and consumables used	-632.19		-356.26	-210.74	-158.79
Employee benefit expense	-22.37		-6.25	-3.20	-2.67
Wages and salaries	-22.37		-6.25	-3.20	-2.67
Other costs by nature	0.00		-13.05	-56.24	-9.43
Depreciation, amortization and impairment charges	-11.77	-1.97	-1.43	-0.97	-2.11
Net other operating result	0.00	6.20	0.00	0.00	0.00
Other operating income		6.20			
Operating profit (EBIT)	146.32	67.45	49.22	34.78	11.64
EBITDA	158.09	69.42	50.65	35.75	13.75
Financial result	-22.08	-7.85	-7.06	-5.56	-4.55
Finance income	0.00	1.99	0.00	0.00	0.00
Interest income	0.00	1.99	0.00	0.00	0.00
Finance Expenses	-22.08	-9.84	-7.06	-5.56	-4.55
Interest expense	-22.08	-9.84	-7.06	-5.56	-4.55
Net - other non-operating result	3.18	0.09	2.12	2.70	1.51
Profit before income tax	115.64	59.69	42.88	30.95	6.49
Income tax	-29.66	-15.48	-11.21	-7.32	-2.36
Profit after income tax	85.98	44.21	31.67	23.63	4.13
Other Extraordinary Items	0.00	0.00	0.00	0.02	-0.03
Net Profit (Loss) for the Period	85.98	44.21	31.67	23.63	4.13
- Profit (loss) attributable to Owners		44.21			

All figures in INR Crore

Balance sheet	2024	2023	2022	2021	2020
Total assets	757.59	507.44	247.89	137.54	107.19
Non-current assets	297.07	183.52	30.11	19.60	15.47
Property, plant and equipment	293.95	181.35	21.26	19.53	12.21
Other property, plant and equipment	293.95		21.26	19.53	12.21
Construction in progress	0.00		7.35	0.00	3.20
Intangible assets and goodwill	0.00	0.11	0.11	0.07	0.06
Other intangible assets		0.11			
Long-term financial assets	3.12	0.00	1.39	0.00	0.00

Other non-current financial assets	3.12		1.39	0.00	0.00
Other non-current assets	0.00	2.07	0.00	0.00	0.00
Current assets	410.71	323.92	174.32	93.70	80.38
Inventories	225.94	166.94	93.46	44.18	44.28
Other inventories	225.94		93.46	44.18	44.28
Trade and other receivables	177.14	70.49	73.52	45.07	30.75
Current trade receivables	177.14		73.52	45.07	30.75
Prepayments, accrued income and other deferred current assets	0.00	1.03	0.00	0.00	0.00
Short term financial assets		2.89			
Cash and Cash Equivalents	7.64	25.98	7.35	4.46	5.35
Cash at banks and on hand	7.64		7.35	4.46	5.35
Other current assets		56.59			
Net current assets	49.81		43.47	24.24	11.33
Total equity and liabilities	757.59	507.44	247.89	137.54	107.19
Total equity	406.10	322.20	128.53	39.93	16.27
Equity attributable to owners of the parent	406.10	322.20	128.53	39.93	16.27
Issued capital	20.30	20.30	15.22	8.73	8.73
Ordinary shares	20.30	20.30	15.22	8.73	8.73
Other reserves	385.80	0.00	113.31	31.20	7.54
Retained earnings		101.69			
Other components of equity	0.00	200.22	0.00	0.00	0.00
Total liabilities	351.49	185.24	119.36	97.61	90.92
Non-current liabilities	41.40	26.74	14.99	18.92	19.51
Non-current loans and borrowings	33.95	24.69	14.26	18.49	18.58
Deferred revenue, accrued expenses and other deferred non-current liabilities	7.45	1.47	0.73	0.43	0.93
Provisions for other liabilities and charges		0.58			
Current liabilities	310.09	158.50	104.37	78.69	71.41
Current loans and borrowings	115.37	65.77	54.39	19.01	24.03
Trade and other payables	173.83	74.11	33.46	42.42	41.30
Current trade payables		74.11			
Provisions for other liabilities and charges	1.13		0.35	0.22	0.16
Other current liabilities	19.76	12.40	16.17	17.04	5.92
Current income tax liabilities		6.22			

The Ratios:

Particulars	2024	2023	2022	2021	2020
Raw Material to Sales %	78.81%	81.41%	92.07%	68.13%	89.30%
Manpower to Sales %	2.79%	81.41%	1.62%	1.03%	1.50%

Other expense to sales	-1.30%	-75.38%	-6.77%	19.28%	1.46%
EBITDA to sales	19.71%	12.56%	13.09%	11.56%	7.73%
PAT %	10.72%	8.00%	8.18%	7.64%	2.32%
Fixed Asset Turnover Ratio	2.73	3.05	18.20	15.84	14.56
Inventory Days	129	134	94	75	100
Debtors	79	46	68	52	62
Creditors	99	59	34	72	94

Scoda Tubes

Scoda Tubes Ltd, established in 2008, is a prominent manufacturer of stainless-steel pipes and tubes based in Gujarat, India. The company specializes in producing stainless steel seamless and welded pipes, instrumentation tubes, and heat exchanger tubes. Known for its innovative solutions and high-quality standards, Scoda Tubes serves various industries globally. Their products are crafted to meet diverse industrial needs, making them a key player in the stainless steel manufacturing sector.

All figures in INR Crore

Profit & Loss Statement	2023	2022	2021	2020	2019
Total operating revenue	307.78	195.05	105.90	109.53	84.64
Net sales revenue	305.13	194.03	105.90	108.96	84.35
Administrative expenses	-0.80	-0.26	-0.12	-0.12	0.00
Changes in inventories of finished goods and work in progress	34.84	20.06	9.44	-1.50	-1.62
Raw materials and consumables used	-247.45	-181.14	-97.17	-92.33	-68.56
Employee benefit expense	-5.18	-2.75	-1.38	-1.24	-0.92
Advertising costs	-2.26	-0.26	-0.17	-0.74	0.00
Depreciation, amortization and impairment charges	-11.17	-1.52	-1.33	-0.55	-0.84
Net other operating result	-59.52	-25.63	-13.73	-10.93	-11.74
Other operating income	2.66	1.03	-0.01	0.57	0.29
Other operating expenses	-62.18	-26.65	-13.73	-11.50	-12.03
Operating profit (EBIT)	13.58	2.53	1.44	1.53	0.67
EBITDA	24.75	4.05	2.77	2.09	1.51
Profit before income tax	13.58	2.53	1.44	1.53	0.67
Income tax	-4.16	-0.76	-0.48	-0.50	-0.28
Profit after income tax	9.41	1.77	0.95	1.03	0.39
Net Profit (Loss) for the Period	9.41	1.77	0.95	1.03	0.39

All figures in INR Crore

Balance sheet	2023	2022	2021	2020	2019
Total assets	230.63	155.66	82.75	58.10	39.51
Non-current assets	67.34	45.80	11.75	9.45	5.13

Property, plant and equipment	60.80	10.16	10.34	3.50	3.86
Land and buildings	2.10	2.01	2.01	1.28	1.28
Other property, plant and equipment	78.30	16.59	15.25	7.81	7.61
Construction in progress	0.00	34.62	1.02	5.51	0.95
Investment properties	0.92	0.47	0.00	0.00	0.00
Other non-current financial assets	5.09	0.32	0.19	0.20	0.09
Deferred assets	0.53	0.22	0.21	0.24	0.23
Current assets	163.29	109.86	70.99	48.65	34.38
Inventories	99.49	62.56	43.08	30.37	20.10
Raw materials	18.38	16.29	16.86	13.59	1.82
Work in progress	63.23	39.49	21.44	14.87	9.95
Finished goods	17.88	6.78	4.78	1.90	8.33
Trade and other receivables	51.11	35.40	19.72	14.58	13.16
Other current receivables	51.11	35.40	19.72	14.58	13.16
Short term financial assets	0.00	9.61	4.04	0.79	0.19
Other current financial assets	0.00	9.61	4.04	0.79	0.19
Cash and Cash Equivalents	10.42	0.70	3.11	2.71	0.32
Other current assets	2.27	1.60	1.05	0.20	0.61
Total equity and liabilities	230.63	155.66	82.75	58.10	39.51
Total equity	44.65	35.23	7.99	7.03	6.01
Equity attributable to owners of the parent	44.65	35.23	7.99	7.03	6.01
Issued capital	1.28	1.28	0.36	0.36	0.36
Revaluation reserve	43.36	33.95	7.63	6.67	5.65
Total liabilities	185.98	120.43	74.76	51.06	33.50
Non-current liabilities	57.99	53.31	24.63	17.77	14.79
Non-current loans and borrowings	57.99	53.31	24.63	17.77	14.79
Current liabilities	127.99	67.11	50.13	33.29	18.71
Current loans and borrowings	72.60	56.58	19.30	13.40	12.36
Trade and other payables	41.69	8.68	23.50	17.27	5.13
Provisions for other liabilities and charges	3.73	0.47	0.84	1.01	0.24
Other current liabilities	9.96	1.38	6.49	1.62	0.98

The Ratios

Particulars	2023	2022	2021	2020	2019
Raw Material to Sales %	80.40%	92.87%	91.76%	84.30%	81.00%
Manpower to Sales %	1.68%	1.41%	1.30%	1.13%	1.09%
Other expense to sales	9.88%	3.65%	4.32%	12.66%	16.13%
EBITDA to sales	8.04%	2.08%	2.62%	1.91%	1.78%
PAT %	3.06%	0.91%	0.90%	0.94%	0.46%

Fixed Asset Turnover Ratio	5.06	19.20	10.24	31.29	21.93
Inventory Days	145	124	160	118	106
Debtors	60	65	67	48	56
Creditors	61	17	87	67	27

Maxim Tubes

Maxim Tubes Company Pvt Ltd specializes in manufacturing high-quality stainless steel tubes and pipes. They offer a diverse range of products, including seamless and welded tubes, instrumentation tubes, heat exchanger tubes, and custom-made U-tubes. Known for their innovation and customer-centric approach, their products are used in various industrial applications requiring durability and high performance. Established with a focus on quality, Maxim Tubes has gained recognition in the market

All figures in INR Crore

Profit & Loss Statement	2023	2022	2021	2020
Total operating revenue	954.22	638.26	371.65	325.92
Net sales revenue	936.58	631.00	367.76	323.70
Administrative expenses	-2.22	-2.28	-2.08	-3.33
Changes in inventories of finished goods and work in progress	43.18	5.34	17.15	-2.02
Raw materials and consumables used	-765.23	-502.30	-313.99	-255.82
Employee benefit expense	-39.11	-23.41	-16.57	-16.86
Advertising costs	-6.56	-3.34	-1.30	-3.35
Tax and contributions	-1.23	-1.68	-0.80	-0.59
Other costs by nature	-0.24	-0.20	-0.16	-0.15
Depreciation, amortization and impairment charges	-18.79	-11.82	-6.57	-5.13
Net other operating result	-100.94	-74.71	-34.03	-29.38
Other operating income	17.63	7.26	3.89	2.23
Other operating expenses	-118.57	-81.97	-37.93	-31.60
Operating profit (EBIT)	45.46	16.61	9.41	7.08
EBITDA	64.25	28.43	15.98	12.20
Profit before income tax	45.46	16.61	9.41	7.08
Income tax	-11.82	-4.28	-2.63	-1.91
Profit after income tax	33.64	12.33	6.78	5.17
Net Profit (Loss) for the Period	33.64	12.33	6.78	5.17

All figures in INR Crore

Balance sheet	2023	2022	2021	2020
Total assets	362.71	326.89	221.57	127.36
Non-current assets	103.45	109.83	67.52	34.53

Property, plant and equipment	103.28	100.84	67.35	30.09
Land and buildings	29.63	25.90	20.89	15.23
Vehicles and machinery	125.23	129.63	89.60	51.81
Other property, plant and equipment	25.28	3.38	3.11	2.94
Construction in progress	0.00	8.97	0.17	4.44
Investment properties	0.17	0.02	0.00	0.00
Current assets	259.26	217.05	154.04	92.83
Inventories	109.43	85.80	57.99	35.59
Raw materials	29.47	53.49	31.02	25.78
Work in progress	59.23	17.03	20.07	9.48
Finished goods	19.53	0.00	0.00	0.00
Other inventories	1.21	0.28	0.16	0.33
Trade and other receivables	103.63	96.24	65.33	39.03
Other current receivables	103.63	96.24	65.33	39.03
Short term financial assets	27.44	14.56	11.90	8.04
Other current financial assets	27.44	14.56	11.90	8.04
Cash and Cash Equivalents	3.23	20.46	18.82	10.16
Other current assets	15.53	0.00	0.00	0.00
Total equity and liabilities	362.71	326.89	221.57	127.36
Total equity	103.06	69.42	55.22	45.44
Equity attributable to owners of the parent	103.06	69.42	55.22	45.44
Issued capital	9.79	9.79	9.39	8.79
Revaluation reserve	93.27	59.63	45.83	36.65
Total liabilities	259.65	257.47	166.35	81.93
Non-current liabilities	89.05	98.49	59.64	29.55
Non-current loans and borrowings	86.53	96.45	58.56	28.51
Deferred revenue, accrued expenses and other deferred non-current liabilities	1.51	1.26	0.48	0.45
Provisions for other liabilities and charges	1.00	0.78	0.60	0.60
Current liabilities	170.61	158.98	106.71	52.38
Current loans and borrowings	36.12	28.44	26.71	13.14
Trade and other payables	92.69	99.04	64.97	30.30
Provisions for other liabilities and charges	11.21	3.33	2.40	1.91
Other current liabilities	30.59	28.15	12.63	7.03

The Ratio

Particulars	2023	2022	2021	2020
Raw Material to Sales %	81.70%	79.60%	85.38%	79.03%
Manpower to Sales %	4.18%	3.71%	4.51%	5.21%
Other expense to sales	7.39%	12.23%	5.82%	12.02%

EBITDA to sales	6.73%	4.45%	4.30%	3.74%
PAT %	3.53%	1.93%	1.82%	1.59%
Fixed Asset Turnover Ratio	9.24	6.33	5.52	10.83
Inventory Days	51	61	66	50
Debtors	39	54	63	43
Creditors	44	71	74	43

Chandan Steel India

Chandan Steel Limited, based in India, is a manufacturer and exporter of stainless steel products. Their product range includes stainless steel bars (round, hex, and square), wires (cold drawn and electrode), flanges (weld neck, slip-on, and blind), forgings, fasteners, and pipes and tubes (seamless and welded). They also offer specialty products like duplex and super duplex stainless steels, catering to industries such as automotive, aerospace, and construction.

All figures in INR Crore

Profit & Loss Statement	2023	2022	2021	2020	2019
Total operating revenue	2,060	1,625	1,053	1,008	1,072
Net sales revenue	2,050	1,619	1,044	1,003	1,063
Administrative expenses	-20.11	-15.17	-13.71	-12.27	-11.38
Changes in inventories of finished goods and work in progress	-3.50	-35.15	-64.84	24.76	-29.54
Raw materials and consumables used	-1,332	-1,061	-653.19	-736.53	-746.09
Employee benefit expense	-67.58	-64.91	-45.77	-48.78	-44.89
Advertising costs	-0.80	-0.23	-0.07	-1.28	-1.42
Tax and contributions	-1.21	-0.82	-0.64	-0.56	-0.30
Other costs by nature	-0.79	-1.77	-0.72	-0.40	-1.37
Depreciation, amortization and impairment charges	-19.39	-16.66	-16.33	-14.95	-15.34
Net other operating result	-297.18	-272.35	-186.98	-180.72	-183.53
Other operating income	9.97	5.44	8.89	5.17	8.41
Other operating expenses	-307.15	-277.79	-195.87	-185.89	-191.94
Operating profit (EBIT)	307.50	150.91	61.75	32.07	29.29
EBITDA	326.89	167.56	78.08	47.02	44.64
Profit before income tax	307.50	150.91	61.75	32.07	29.29
Income tax	-81.69	-40.65	-17.57	-1.99	-12.18
Profit after income tax	225.81	110.26	44.18	30.09	17.11
Net Profit (Loss) for the Period	225.81	110.26	44.18	30.09	17.11

All figures in INR Crore

Balance sheet	2023	2022	2021	2020	2019
Total assets	1,110	1,029	831.78	782.76	698.62

Non-current assets	398.93	342.72	319.67	326.66	280.65
Property, plant and equipment	279.63	274.58	277.52	288.66	260.16
Land and buildings	143.51	136.21	136.21	135.54	112.36
Vehicles and machinery	310.44	298.99	286.63	284.72	264.82
Other property, plant and equipment	11.49	6.76	7.25	4.31	3.95
Construction in progress	30.43	19.79	6.79	4.31	3.29
Intangible assets and goodwill	42.04	0.04	0.04	0.04	0.04
Goodwill	42.04	0.04	0.04	0.00	0.00
Investment properties	0.12	0.10	0.00	0.07	0.07
Other non-current financial assets	0.00	0.00	0.00	33.59	14.91
Other non-current assets	46.71	48.21	35.24	0.00	2.20
Current assets	711.01	686.35	512.12	456.10	417.97
Inventories	169.52	199.74	180.14	208.38	190.50
Raw materials	93.35	119.92	65.56	28.76	35.91
Work in progress	54.37	53.94	80.04	0.00	0.00
Finished goods	21.33	25.25	34.31	179.19	154.42
Trade and other receivables	358.36	359.11	215.24	140.22	149.91
Other current receivables	362.49	362.37	215.24	140.22	149.91
Doubtful receivables	4.13	3.25	0.00	0.00	0.00
Short term financial assets	42.72	36.02	47.33	34.97	14.38
Other current financial assets	42.72	36.02	47.33	34.97	14.38
Cash and Cash Equivalents	74.33	13.31	7.87	52.92	36.23
Other current assets	66.09	78.16	61.53	19.62	26.95
Total equity and liabilities	1,110	1,029	831.78	782.76	698.62
Total equity	650.01	423.94	326.68	286.57	233.56
Equity attributable to owners of the parent	650.01	423.94	326.68	263.72	233.37
Issued capital	650.01	423.94	326.68	32.15	32.06
Revaluation reserve	0.00	0.00	0.00	231.57	201.30
Total liabilities	459.93	605.12	505.10	496.19	465.06
Non-current liabilities	72.88	93.50	83.18	77.36	80.60
Non-current loans and borrowings	46.86	68.64	58.49	55.13	52.36
Deferred revenue, accrued expenses and other deferred non-current liabilities	21.05	20.44	21.24	20.00	26.06
Provisions for other liabilities and charges	3.00	3.73	2.43	2.23	2.18
Other non-current liabilities	1.97	0.69	1.02	0.00	0.00
Current liabilities	387.05	511.62	421.92	418.83	384.46
Current loans and borrowings	135.54	203.84	104.29	159.31	124.76
Trade and other payables	225.29	273.71	257.60	227.36	223.93
Provisions for other liabilities and charges	13.44	19.59	13.70	8.16	10.01
Other current liabilities	10.15	8.94	46.33	24.00	25.76

The Ratio

Particulars	2023	2022	2021	2020	2019
Raw Material to Sales %	64.98%	65.54%	62.57%	73.45%	70.18%
Manpower to Sales %	3.30%	4.01%	4.38%	4.86%	4.22%
Other expense to sales	15.78%	20.10%	25.57%	17.00%	21.40%
EBITDA to sales	15.94%	10.35%	7.48%	4.69%	4.20%
PAT %	11.01%	6.81%	4.23%	3.00%	1.61%
Fixed Asset Turnover Ratio	7.37	5.92	3.79	3.49	4.12
Inventory Days	46	68	99	102	92
Debtors	63	80	74	50	51
Creditors	61	93	142	111	108

Shalco Industries Pvt Ltd

Shalco Industries Pvt Limited specializes in manufacturing and supplying stainless steel products, including tubes, pipes, and fittings. Catering to industries such as oil and gas, petrochemical, construction, and automotive, their products are designed for high-pressure and corrosive environments. Shalco offers a range of fittings and custom solutions to meet specific client needs, emphasizing quality and reliability to ensure compliance with stringent industry standards.

All figures in INR Crore

Profit & Loss Statement	2023	2022	2021	2020	2019
Total operating revenue	199.23	156.36	94.41	119.72	112.96
Net sales revenue	198.16	156.28	91.23	119.68	112.41
Administrative expenses	-3.18	-0.33	-0.31	-0.42	-0.39
Changes in inventories of finished goods and work in progress	16.74	17.36	0.25	2.60	-1.60
Raw materials and consumables used	-172.06	-141.14	-77.04	-105.88	-95.19
Employee benefit expense	-7.02	-5.76	-5.04	-4.91	-4.53
Advertising costs	-0.40	-0.28	-0.04	-0.13	-0.10
Tax and contributions	0.00	0.00	-0.04	-0.03	-0.05
Depreciation, amortization and impairment charges	-2.23	-1.42	-1.28	-1.09	-1.03
Net other operating result	-19.28	-14.48	-4.33	-6.48	-5.84
Other operating income	1.06	0.09	3.18	0.05	0.55
Other operating expenses	-20.34	-14.57	-7.51	-6.53	-6.40
Operating profit (EBIT)	10.73	10.24	3.40	3.33	3.67
EBITDA	12.96	11.65	4.68	4.42	4.70
Extraordinary Non-operating items	0.00	-2.93	0.00	0.00	0.00
Profit before income tax	10.73	7.30	3.40	3.33	3.67
Income tax	-2.78	-1.90	-0.87	-0.90	-1.07
Profit after income tax	7.95	5.40	2.53	2.43	2.60

Net Profit (Loss) for the Period	7.95	5.40	2.53	2.43	2.60

All figures in INR Crore

Balance sheet	2023	2022	2021	2020	2019
Total assets	112.14	91.75	64.50	49.42	47.39
Non-current assets	22.02	13.12	13.42	12.75	12.22
Property, plant and equipment	16.03	7.26	7.70	7.07	5.96
Land and buildings	0.00	0.00	0.00	4.50	4.50
Vehicles and machinery	0.00	0.00	0.00	11.09	9.06
Other property, plant and equipment	28.51	18.70	17.73	0.32	0.28
Construction in progress	0.00	0.00	0.00	0.00	0.52
Investment properties	0.02	0.02	0.02	0.02	0.03
Other non-current financial assets	5.97	5.67	5.53	5.53	5.62
Deferred assets	0.00	0.17	0.12	0.08	0.05
Current assets	90.12	78.63	51.08	36.67	35.17
Inventories	44.92	28.40	26.23	15.85	18.19
Raw materials	3.16	1.63	18.58	8.45	13.38
Work in progress	6.86	1.64	0.00	0.00	0.00
Finished goods	34.90	23.38	7.66	7.40	4.81
Trade and other receivables	33.91	41.79	17.38	13.97	11.17
Other current receivables	33.91	41.79	17.38	13.97	11.17
Short term financial assets	7.82	8.34	6.33	4.39	5.21
Other current financial assets	7.82	8.34	6.33	4.39	5.21
Cash and Cash Equivalents	3.44	0.09	1.12	2.44	0.60
Other current assets	0.03	0.01	0.01	0.01	0.00
Total equity and liabilities	112.14	91.75	64.50	49.42	47.39
Total equity	34.14	26.19	20.79	18.26	15.83
Equity attributable to owners of the parent	31.58	23.62	18.22	15.70	13.27
Issued capital	2.67	2.67	2.67	2.67	2.67
Revaluation reserve	28.90	20.95	15.55	13.03	10.60
Total liabilities	78.01	65.57	43.72	31.15	31.55
Non-current liabilities	7.06	5.51	3.46	0.34	0.26
Non-current loans and borrowings	6.69	5.24	3.22	0.14	0.09
Deferred revenue, accrued expenses and other deferred non-current liabilities	0.04	0.00	0.00	0.00	0.00
Provisions for other liabilities and charges	0.34	0.27	0.24	0.20	0.17
Current liabilities	70.94	60.06	40.26	30.81	31.29
Current loans and borrowings	41.83	41.03	26.90	20.02	23.24
Trade and other payables	22.89	12.87	11.26	8.09	5.65
Provisions for other liabilities and charges	0.05	0.21	0.13	0.08	0.03

Other current liabilities	6.16	5.94	1.96	2.62	2.38

The Ratio

Particulars	2023	2022	2021	2020	2019
Raw Material to Sales %	86.83%	90.31%	84.45%	88.47%	84.68%
Manpower to Sales %	3.54%	3.69%	5.52%	4.10%	4.03%
Other expense to sales	3.09%	-1.45%	4.90%	3.73%	7.11%
EBITDA to sales	6.54%	7.45%	5.13%	3.69%	4.18%
PAT %	4.01%	3.46%	2.77%	2.03%	2.31%
Fixed Asset Turnover Ratio	12.36	21.53	11.85	16.93	18.86
Inventory Days	94	72	123	54	69
Debtors	62	96	69	42	36
Creditors	48	33	53	28	21

Summary

Peer Analysis		
Particulars	**Min**	**Max**
EBITDA %	1.78%	19.71%
PAT %	0.46%	11.01%
Asset Turnover	2.73	19.20
Manpower to sales	1.03%	5.52%
RM to Sales	62.57%	88.47%
Other Expenses to sales	1.46%	20.10%
Inventory Days	46	145
Debtor Days	36	96
Creditor Days	17	111

Project Cost

Rajputana Stainless Limited, the Company, plant to manufacture stainless steel seamless pipes at the proposed site in Gujarat. They aim to begin commercial operations on April 1, 2026 (1st quarter of FY2027) following 12 months of construction after financial closure in March 2025. Stainless steel seamless pipes are manufactured through a process involving hot extrusion or piercing of solid bars followed by elongation and rolling to achieve the desired dimensions and properties.

The total project cost as estimated by the Company is INR 59.23 Cr. The details are given as under:

(all values in INR Cr)

Particulars	Basic Cost	GST	Total Cost with GST
Land Cost	-	-	-
Civil & Structural Work, Site Development	5.75	1.04	6.79
Plant & Equipment & Utilities	9.34	1.62	10.96
Misc. Fixed Assets	1.05	0.19	1.24
Total Hard Cost	**16.14**	**2.85**	**18.99**
Contingency	0.56	0.10	0.66
Pre-operative Expenses	1.61	0.29	1.90
IDC	-	-	-
Total Soft Cost	**2.17**	**0.39**	**2.56**
Working Capital Funding	37.68		37.68
Total Project Cost	**56.00**	**3.24**	**59.23**

Source: RSL & D&B-India Assessment

Land Cost

The Company proposes to establish the new pipe unit within the premises of existing facility. Hence, the land cost is not considered for the project. As informed by Company the land available at existing plant is sufficient for the proposed plant. The Company has provided general layout for the existing unit without specific dimensions, also the Layout for proposed facility is provided. Based on the visual inspection of site during visit the proposed land is considered to be adequate for proposed facility.

Civil & Structural Work

The civil and structural work include:

(all Values in INR Cr)

Particulars	Basic Cost	GST	Total Cost with GST	Vendor Name	Remark
Civil	2.56	0.46	3.03	Ganesh Engineering	Quo Date: 11 NOV 24 Quo No:DM/GE/RSL/20.30 PM/2024 Delivery: 7-10 Days
PEB	3.19	0.57	3.76	Ganesh Engineering	Date:11 NOV 24 Quo No:DM/GE/RSL/20.30 PM/2024 Delivery: 8-9 months after confirming the order
Revised Value	**5.75**	**1.04**	**6.79**		

The detailed summary of civil and PEB is as below,

(all Values in INR)

Particulars	Vendor	Units	Basic Value(Rs)	Units	Basic Value	GST	Total Value	Remark
Civil								
Earth Excavation (0-1mtr.) 25 x 40	Ganesh Engineering	640	150.00	per cum	96,000.00	17,280.00	113,280.00	Quo Date: 11 NOV 24 Quo No:DM/GE/RSL/20.30 PM/2024 Delivery: 7-10 Days
Earth Excavation (1mtr-3mtr.) 75 x 40		960	175.00	per cum	168,000.00	30,240.00	198,240.00	
Back filling site - to - site		1,500	85.00	per cum	127,500.00	22,950.00	150,450.00	
Back filling brought from outside		1,382	500.00	per cum	691,000.00	124,380.00	815,380.00	
P.C.C. Work (1:4:8) 100 mm		350	4,500.00	per cum	1,575,000.00	283,500.00	1,858,500.00	
C.C. Footing 1:3:6		128	4,800.00	per cum	614,400.00	110,592.00	724,992.00	
R.C.C. Column & Beam (1:1.5 :3) height 0-4 mtr.M-30		361.86	9,440.00	per cum	3,415,996.16	614,879.31	4,030,875.47	
Footing Shuttering		576	410.00	per sq mt	236,160.00	42,508.80	278,668.80	
Shuttering for Coolum & Beam Ply and Steel		766	450.00	per sq mt	344,700.00	62,046.00	406,746.00	
230 mm Thick in (CM 1:6)		246	6,800.00	per cum	1,672,800.00	301,104.00	1,973,904.00	
Stone Soling 230mm Thick water bound with Roller		759	2,000.00	per cum	1,518,000.00	273,240.00	1,791,240.00	
12mm (1:4) 1224 x 2		2,448	290.00	per sq mt	709,920.00	127,785.60	837,705.60	
18mm (1:4) 1224 x 2		2,448	320.00	per sqmt	783,360.00	141,004.80	924,364.80	
Net Cement Plaster Work 1224 x 2		2,448	380.00	per sqmt	930,240.00	167,443.20	1,097,683.20	
Trimix Flooring Work 700		660	6,800.00	per cum	4,488,000.00	807,840.00	5,295,840.00	
Grove Cutting		2,200	170.00	per R mt	374,000.00	67,320.00	441,320.00	
With Cutting, Banding		84.75	93,220.00	per MT	7,900,022.12	1,422,003.98	9,322,026.10	

PEB								
PEB -Structural Steel Fabricated Shed-: 1) 421.7 F L x 83 F W x 12 M H Sq.ft. = 35000 Sq.ft	Ganesh Engineering	196791.7	130.00	per KG	25,582,921.00	4,604,925.78	30,187,846.78	Date:11 NOV 24 Quo No:DM/GE/RSL/20.30 PM/2024 Delivery: 8-9 months after confirming the order
Top Roofing Sheet Supply & Erection		4593.5	800.00	per Sq mt	3,674,800.00	661,464.00	4,336,264.00	
Roofing Sheet vertical Sheet Supply & Erection		1125	800.00	per Sq mt	900,000.00	162,000.00	1,062,000.00	
Roofing Sheet Accessories :- Gutter , Gutter Clamp , Ridge , Ridge Clamp , Corner Flashing , Inclined Flashing Supply & Erection		391.31	1,150.00	per Sq mt	450,006.50	81,001.17	531,007.67	
Drain Water Down Pipe: As per Technical Specification – PVC 32 Nos. PVC Pipe x 12 Mtr. Length Total 384 R.mtr Supply & Erection		384	800.00	per R mt	307,200.00	55,296.00	362,496.00	
Polycarbonate Sheet (5%) Transform Sheet 500 mm Wide sky light sheet to be considered Throughout top & vertical Supply & Erection		200	2,300.00	per Sq mt	460,000.00	82,800.00	542,800.00	
24" Turbo Ventilator With polycarbonate base Supply & Erection		64	7,500.00	per unit	480,000.00	86,400.00	566,400.00	

The Company has provided the detailed estimations of Civil & building cost with the breakup of Construction materials. The Rates considered for the Civil Works includes RCC Work, excavation work, PCC work and Shuttering work. The rates seem to be at par with the market rates for relevant materials.

Plant & Machineries cost

The Plant & Machinery cost summary is as follows,

Particulars	Basic Cost	GST	Total Cost with GST	Vendor & Make	D&B Comment
Walking Hearth Furnace	3.11	0.56	3.67	Shreenath G Nambiar	Quotation date:23-12-24 Delivery: not mentioned valid for 6months
LXC-60 Piercing mill	4.21	0.70	4.91	Yantai Machinery	qoute date 17-12-24 delivery time 120 days price valid for 60 days
Conveyer Mills	0.19	0.04	0.23	DME - K Patel Drives system	**quote date:20-11-2024 delivery time:3-4 weeks validity not mentioned**
Centering M/c	0.08	0.01	0.09	DME - K Patel Drives system	**quote date:20-11-2024 delivery time:3-4 weeks validity not mentioned**
Quenching discharge	0.04	0.01	0.04	DME - K Patel Drives system	**quote date:20-11-2024 delivery time:3-4 weeks validity not mentioned**

Compressor	0.14	0.02	0.16	Elgi - K Patel Drives system	**quote date:20-11-2024 delivery time:3-4 weeks validity not mentioned**
Straightening machine	1.10	0.20	1.30	Gayatri Engineers	Quo Date: 11 NOV 24 Delivery: In 120 days quotation valid for 6 months
End cutting	0.04	0.01	0.05	Gayatri Engineers	Quo Date: 11 NOV 24 Delivery: In 120 days quotation valid for 6 months
MTB Pump	0.02	0.00	0.02	LUBI - K Patel Drives system	**quote date:20-11-2024 delivery time:3-4 weeks validity not mentioned**
Furnace Cooling pump	0.01	0.00	0.01	**LUBI - K Patel Drives system**	**quote date:20-11-2024 delivery time:3-4 weeks validity not mentioned**
Mill water supply	0.01	0.00	0.01	LUBI - K Patel Drives system	**quote date:20-11-2024 delivery time:3-4 weeks validity not mentioned**
Mill dewatering pump	0.01	0.00	0.01	LUBI - K Patel Drives system	**quote date:20-11-2024 delivery time:3-4 weeks validity not mentioned**
Cooling tower	0.09	0.02	0.11	Paharpur Cooling Towers Limited	Ref: W2T240150/AK Date : 13-Nov-2024 (Valid till 30 days) delivery: 3 months
Pipelines and valves	0.08	0.01	0.09	Jighneshwar Steels	invoice no. 488 Quotation date: 17 NOV 24 Delivery: Not Mentioned
Crane 7.5T capacity	0.21	0.04	0.25	Manish Engineers	Ref num: ME-138/2024-25 Ref Date: 17 NOV 2024 Validity: 10 days Delivery: 30-45 days
TOTAL PLANT & MACHINERY	**9.34**	**1.62**	**10.96**		

The summary of the Plant and machinery is as below:

(Values in INR)

Particulars	Vendor	Units	Basic Value	Units	Value	Duties	GST	Total Value	Remark
Fabrication of the furnace casing compromising	Shreenath G Nambiar	2	2,950,000.00	per unit	5,900,000.00		1,062,000.00	6,962,000.00	Quotation date:23-12-24 Delivery: not mentioned valid for 6months

Flue duct fabrication cost with material labour and rolling of duct. [chimney not in estimation for gas fired furnace only the flue need to be taken outside the shed]]		2	125,000.00		250,000.00		45,000.00	295,000.00	
Flue exhaust damper for furnace pressure control		2	50,000.00		100,000.00		18,000.00	118,000.00	
Door Lifting System		2	10,000.00		20,000.00		3,600.00	23,600.00	
Walking beam frames fabrication cost with material, consumable and labour fabrication		2	900,000.00		1,800,000.00		324,000.00	2,124,000.00	
Guide rails ,Taper wedge,Wheel assembly machining and fabrication with material		2	200,000.00		400,000.00		72,000.00	472,000.00	
Bearings and hardware		2	200,000.00		400,000.00		72,000.00	472,000.00	
Hydraulic Power Pack		2	800,000.00		1,600,000.00		288,000.00	1,888,000.00	
Control panel plus Programmable logic controller [SCADA System is optional]		2	950,000.00		1,900,000.00		342,000.00	2,242,000.00	
Combustion equipments		2	950,000.00		1,900,000.00		342,000.00	2,242,000.00	
Instruments and control		2	300,000.00		600,000.00		108,000.00	708,000.00	
Ceramic fiber insulation with stainless steel anchors		2	900,000.00		1,800,000.00		324,000.00	2,124,000.00	
Refractory insulation		2	900,000.00		1,800,000.00		324,000.00	2,124,000.00	

Ceramic beams and related items		2	2,500,000.00		5,000,000.00		900,000.00	5,900,000.00	
Erection and comm/Assembly expences		2	800,000.00		1,600,000.00		288,000.00	1,888,000.00	
Insulation expenses refractory lining.		2	550,000.00		1,100,000.00		198,000.00	1,298,000.00	
Charging and Discharge rollers [Or Ejector]		2	450,000.00		900,000.00		162,000.00	1,062,000.00	
Roller Drive		2	30,000.00		60,000.00		10,800.00	70,800.00	
Design Enigineering charges		2	1,080,000.00		2,160,000.00		388,800.00	2,548,800.00	
Unforseen Exp		2	200,000.00		400,000.00		72,000.00	472,000.00	
Travel Hotel Stay		2	200,000.00		400,000.00		72,000.00	472,000.00	
Gas Trains		2	225,000.00		450,000.00		81,000.00	531,000.00	
Electrical cabling with 10 meters from the furnace [Material and labour]		2	150,000.00		300,000.00		54,000.00	354,000.00	
Water and other piping within 10 meters from furnace		2	130,000.00		260,000.00		46,800.00	306,800.00	
LXC-60 Piercing mill	Linyi CM Import & export CO.LTD	2	19,431,000.00		38,862,000.00	3,206,115.00	6,995,160.00	49,063,275.00	qoute date 17-12-24 delivery time 120 days price valid for 60 days
Conveyor Mill	K Patel Drives System	2	974576		1,949,152.00		350,847.36	2,299,999.36	quote date:20-11-2024 delivery time:3-4 weeks validity not mentioned
Centring Mill	K Patel Drives System	2	380355		760,710.00		136,927.80	897,637.80	
Quenching Discharge	K Patel Drives System	2	185000		370,000.00		66,600.00	436,600.00	
Compressor	K Patel Drives System	2	675000		1,350,000.00		243,000.00	1,593,000.00	
Round Bar straightening Machine	Gayatri Engineers	2	5,509,000.00	per unit	11,018,000.00		1,983,240.00	13,001,240.00	Quo Date: 11 NOV 24 Delivery: In 120 days quotation valid for 6 months

End Cutting Machine	Gayatri Engineers	2	212,000.00	per unit	424,000.00		76,320.00	500,320.00	Quo Date: 11 NOV 24 Delivery: In 120 days quotation valid for 6 months
MTB Pump	K Patel Drives System	4	45500		182,000.00		32,760.00	214,760.00	quote date:20-11-2024 delivery time:3-4 weeks validity not mentioned
Furnace Colling Pump	K Patel Drives System	4	29600		118,400.00		21,312.00	139,712.00	
Mill Water Supply	K Patel Drives System	4	29500		118,000.00		21,240.00	139,240.00	
Mill Dewatering Pump	K Patel Drives System	4	29750		119,000.00		21,420.00	140,420.00	
Cooling Towers	Paharpur Cooling Towers Limited	2	450000		900,000.00		162,000.00	1,062,000.00	Ref: W2T240150/AK Date : 13-Nov-2024 (Valid till 30 days) delivery: 3 months
MS Reducer/Ballvalve	Jighneshwar Steels	2	9,000.00	per unit	18,000.00		3,240.00	21,240.00	invoice no. 488 Quotation date: 17 NOV 24 Delivery: Not Mentioned
MS/GI Pipes 96x48x3.2		5500	65.00	per KG	357,500.00		64,350.00	421,850.00	
MS/GI Pipes 50x50x3.2		6100	65.00	per KG	396,500.00		71,370.00	467,870.00	
MS/GI Pipes 122x61x3.2		500	66.00	per KG	33,000.00		5,940.00	38,940.00	
7.5 tons EOT Crane Complete set	Manish Engineers	2	1,060,000.00	per machine	2,120,000.00	-	381,600.00	2,501,600.00	Ref num: ME-138/2024-25 Ref Date: 17 NOV 2024 Validity: 10 days Delivery: 30-45 days

The basic pt & equipment cost estimated by the company is ~INR 9.34 Cr. D&B has validated the above consolidated quotations. The Company has provided purchase quotation for piercing mill received from Yantai Yujia Machinery Co. Ltd and the same is validated. Company has provided the 100% of the quotations for Plant & Machinery Cost.

Misc. Fixed Assets

The Misc. Fixed Assets cost include:

(all Values in INR Cr)

Particulars	Basic Cost	GST	Total Cost with GST	Vendor & Make	D&B Comment
General Steel For racks	0.19	0.03	0.23	Jighneshwar Steels	Invoice no. 493 date:17 NOV 24 Delivery: Not Mentioned
Moly Plugs	0.58	0.10	0.68	J Poonamchand & Sons	Ref Date: 12 nov 24 Delivery: as required
Plug Rods	0.01	0.00	0.01	J Poonamchand & Sons	Ref Date: 12 nov 24 Delivery: as required
Connectors	0.01	0.00	0.02	K Patel Drives System	**quote date:20-11-2024 delivery time:3-4 weeks validity not mentioned**
Flangers	0.02	0.00	0.02	K Patel Drives System	**quote date:20-11-2024 delivery time:3-4 weeks validity not mentioned**
Veedol Avalon HLP 68 (210L)	0.04	0.01	0.05	BP Lubricants Pvt Ltd	Quote no. QUO13492 quote date: 17 Aug 24 valid upto: 31 Aug 24 Delivery: As required
Veedol Avalon 220 (210L)	0.02	0.00	0.02	BP Lubricants Pvt Ltd	Quote no. QUO13492 quote date: 17 Aug 24 to 31 Aug 24 Delivery: As required
Veedol Alithex 3 grease (180K)	0.01	0.00	0.01	BP Lubricants Pvt Ltd	Quote no. QUO13492 quote date: 17 Aug 24 to 31 Aug 24 Delivery: As required
General Stoes and tools	0.17	0.03	0.20	K Patel Drives System	Quotation Date : 12-11-24 Delivery Date Not given
TOTAL MFA	**1.05**	**0.19**	**1.24**		

The summary of the MFA is as given below:

all Values in INR)

Particulars	Vendor	Units	Basic Value	Units	Gross Value	Duties	GST	Total Value	Remark
MS Angle 50x50x6	Jigneshwar Steels	4800	72.00	per KG	345,600.00		62,208.00	407,808.00	Invoice no. 493 date:17 NOV 24 Delivery: Not Mentioned
MS Beam 200		4050	74.00	per KG	299,700.00		53,946.00	353,646.00	
MS Channel 150		3400	69.25	per KG	235,450.00		42,381.00	277,831.00	
Flat/Bars 122x61x3.2		2900	69.50	per KG	201,550.00		36,279.00	237,829.00	
MS Beam 300		3800	71.50	per KG	271,700.00		48,906.00	320,606.00	
MS Channel 250		8250	71.50	per KG	589,875.00		106,177.50	696,052.50	
Plug Moly	J Poonamchand & Sons	800	7,205.00	per KG	5,764,000.00		1,037,520.00	6,801,520.00	Ref Date: 12 Nov 24 Delivery: as required
Plug Road		800	106.00	per KG	84,800.00		15,264.00	100,064.00	
Connectors	K Patel Drives System	200	720		144,000.00		25,920.00	169,920.00	Quote date: 20-11-2024 delivery time:3-4 weeks validity not mentioned
Flanges	K Patel Drives System	100	1910		191,000.00		34,380.00	225,380.00	
Veedol Avalon HLP 68 (210L)	BP Lubricants Pvt Ltd	2940	135.00	per unit	396,900.00		71,442.00	468,342.00	Quote no. QUO13492 quote date: 17 Aug 24 valid upto: 31 Aug 24 Delivery: As required
Veedol Avalon 220 (210L)		1260	132.00	per unit	166,320.00		29,937.60	196,257.60	
Veedol Alithex 3 grease (180K)		540	215.00	per unit	116,100.00		20,898.00	136,998.00	
Belt, Bearings, Gasket Sheets, Teflon Tape, Pulley, Coupling	K Patel Drives System	1	1694951.42		1,694,951.42		305,091.26	2,000,042.68	Quotation Date : 12-11-24 Delivery Date Not given

The total Misc. Fixed Assets Cost estimated by the company is ~INR 1.24 Cr. Company has provided 100% of the quotations of Misc. fixed assets for review. D&B has validated the above provided quotations.

Contingency

A contingency provision is made at 3.50% of the hard cost (excluding land cost) of the project, to cover the cost of unforeseen items. This contingency provision does not provide for any forward escalation and exchange rate variation.

Preliminary & Preoperative Expenses

Preliminary & preoperative expenses are considered by Company at INR 2.00 Crore as the administrative expenses, preliminary manpower expenses, Trial Raw material expenses & consumable expenses during construction period.

The brief breakup of the same is as follows,

(all values INR Cr)

Particulars	Basic Cost	GST	Total Cost with GST
Preliminary Expenses			
Commissioning and Trail runs	0.50	0.09	0.59
Salaries	0.20	0.04	0.24
Travelling Boarding & Lodging	0.20	0.04	0.24
communication	0.03	0.01	0.04
Other consultancy (TEV & LEgal)	0.10	0.02	0.12
General Admin Exp.	0.08	0.01	0.09
Misc. Expenses	0.50	0.09	0.59
Total Preliminary Expenses	**1.61**	**0.29**	**1.90**

Source: Company

Working Capital

The working capital requirement of the project Is estimated at INR 37.68 Crore. This is based on the calculations for the first full year of operation of the Project i.e., FY 27. A detailed calculation of working capital requirement for the project is provided under the economic viability section of this report.

Comment on Capital Cost

The Based on the review of 100% value of plant & Machinery quotations, the Basic project cost is estimated to be INR 56.00 Crore.

The Project cost envisaged has covered all the major heads, but still some modifications during detailed engineering and implementation are expected due to unforeseen items (this variation prevails across the industry). The cost for equipment is estimated based on budgetary estimates provided by the Company. The Company will try to negotiate further with the plant and machinery suppliers at the time of placing the final order. Post finalization of the detailed engineering, placement of orders and depending on actual site construction the cost for the project may vary. D&B-India has considered the min and max benchmarking cost based on its experience in handling similar past projects.

D&B-India has analysed seamless steel tubes projects in India for past few years and noted the following;

Project Name	Annual Capacity (MT)	Capex Year	Capital Expenditure (INR Crore)	Capital cost (INR per MT)
Ratnamani Metals & Tubes (Gandhidham, Gujarat)	40,000	2018	300	112,772
Maharashtra Seamless Ltd (Raigad, Maharashtra)	20,000	2017	150	119,539
Jindal Stainless (Hisar, Haryana)	50,000	2019	200	56,741

Tubacex India (Umbergaon, Gujarat)	25,000	2020	225	120,440
Rajputana Seamless Limited	9,600	2025	56	58,329

- This cost is directly influenced by the technology of the pipes, the proposed capacity and Machinery proposed.
- Capital cost for seamless tubes of RSL is estimated to be INR 58329 per MT which is reasonable as per the prevailing Industry benchmarks. The cost is observed to be slightly lower as the company already has a mother hollow facility. The proposed project starts from the pilger mill and thereby the capacity cost per MT is reasonable.

Means of Finance

The proposed debt to equity ratio is 0:1. The proposed funding is as under:

(All values in INR Cr)

Particulars	Basic Cost	GST	Total Funding
IPO Proceeds	56.00		56.00
Internal Accruals/ Promoter Funds		3.24	3.24
Total Equity	**56.00**	**3.24**	**59.23**
Debt	-	-	-
Total Project Cost	**56.00**	**3.24**	**59.23**

IPO Proceeds

The Company plans to bring INR 56.00 Crore which is the total cost of the project, exclusive of GST, as IPO Proceeds. The company proposes to not raise any funds by means of debt. The Remaining funds for GST are proposed to be used from internal accruals of existing facility.

Economic Viability

It is necessary to understand the reasonableness of the revenue, cost assumptions and subsequently the margins and the relevant ratios. The relevant industry benchmarks are studied and applied using D&B-India's research and industry expertise. D&B-India projected financial performance of the Company along with sensitivity analysis.

Installed Capacity

Particulars	Units	FY27	FY28	FY29	FY30	FY31
SS Seamless Pipes						
Installed Capacity						
Production speed per day	Mtr/Day	29	29	29	29	29
Operating Days per annum	Days	**330**	330	330	330	330
Annual Installed Capacity	**MTPA**	**9,600**	**9,600**	**9,600**	**9,600**	**9,600**
Capacity Utilization	%	50%	80%	85%	95%	95%
Production	MTPA	4,800	7,680	8,160	9,120	9,120
Scrap Generated During Process	%	5.78%	5.78%	5.78%	5.78%	5.78%
Burning loss		0.25%	0.25%	0.25%	0.25%	0.25%
Scale Generation	%	0.50%	0.50%	0.50%	0.50%	0.50%

The proposed COD for the project is 1st April 2026. The production speed per day is considered at 29 Mtr/Day and with 330 days per annum operations, the installed capacity is arrived to be at 9600 MTPA. The capacity utilization for the unit is considered at 50.00% for FY 2027, considering the Company is offering a new product variant. Subsequently capacity utilization has been ramped up to 80.00% for 2028, 85.00% for 2029 and at 95.00% for FY 2030 which continues for the remaining projected period. The scrap generated during the process is arrived at ~6%. Burning loss and scale generation during the process are considered to be constant throughout at 0.50%.

Particulars	Units	FY27	FY28	FY29	FY30	FY31
Reheater						
Reheating Rate	MT/Hr	3	3	3	3	3
Operating time of Re-heater per day	hours	16	16	16	16	16
Annual operating days	days	330	330	330	330	330
Installed Capacity of Reheater	**MTPA**	**13,200**	**13,200**	**13,200**	**13,200**	**13,200**
Derived utilization of Reheater	%	36.36%	58.18%	61.82%	69.09%	69.09%
Estimated Fuel Consumption per ton of processing	Kg/MT	50	50	50	50	50
Annual Fuel Consumption	MTPA	240.00	384.00	408.00	456.00	456.00
LPG purchase rate	INR/MT	58,620.69	58,620.69	58,620.69	58,620.69	58,620.69
Annual LPG fuel cost	INR Cr	1.41	2.25	2.39	2.67	2.67

The reheating rate is considered at 3MT/Hr and the operating time of re-heater per days is considered as 16Hrs based on the consolidated quotations submitted by the Company. The operational days is considered to be 330 Days. The estimated fuel consumption per ton of processing is considered as 50 Kg/MT, as per the technical details provided in quotations the same arrived to be 40 Kg/MT and the D&B-India has considered additional 25% consumption cost. The annual fuel consumption is arrived at 240 MTPA for FY27, 384 MTPA for FY28, 408 MTPA for FY29 and 456 MTPA for FY30 which is then continued throughout the projected period.

Based on the above data analysis and the technical input, the annual LPG fuel cost for reheating of Bars is arrived at INR 1.41 Cr for FY27, INR 2.25 Cr for FY28, INR 2.39 Cr for FY29 and INR 2.67 Cr for FY30 which continues for rest of the projected period.

Revenue Generation

Revenue Generation – INR Cr

Particulars	FY27	FY28	FY29	FY30	FY31
Domestic Sales	153.57	257.67	280.20	312.11	314.50
Other Operating Income	3.28	5.45	5.90	6.57	6.62
Total Net Revenue	**156.85**	**263.12**	**286.10**	**318.69**	**321.12**

Source: D&B-India

The Company will majorly sell the proposed products to existing customers.

The detailed marketing plan of Company is as follows,

Marketing Plan for RAJPUTANA for the New Seamless PIPE PLANT:

1. Increase brand awareness by 30% among target customers.
2. Achieve sales revenue growth
3. Establish relationships with new customers.

Target Market:

1. Industries: Oil & Gas, Chemical, Power, Construction, and Automotive.
2. Customer segments: Fabricators, Manufacturers, and End-users.
3. Geographic focus: Major cities and industrial hubs.

Marketing Strategies:

Offline Marketing:

1. Trade Shows and Exhibitions: Participate in 4-6 industry events.
2. Sales Outreach: Regular sales visits to target customers.
3. Distributor Network: Establish partnerships with 10-15 distributors.
4. Print Advertising: Advertise in industry-specific magazines.

Online Marketing:

1. Website Optimization: Enhance website user experience and SEO.
2. Social Media: Establishing awareness about rajputana stainless limited 's new Unit on LinkedIn, Twitter.
3. Email Marketing: Sending Email's to all the existing customers and potential customers.
4. Digital Advertising: Google Ads and industry-specific online ads.

Content Marketing:

1. Technical Articles: Publish articles on the start of the new unit of Rajputana stainless limited's seamless pipe plant
2. Case Studies: Share success stories and customer testimonials.
3. Product Catalogs: Distribute comprehensive product catalogs.
4. Video Content: Creating product demonstration and quality standards.

Pricing Strategy:

1. Competitive Pricing: Align prices with industry standards.
2. Discounts: Offer loyalty discounts and volume-based discounts.

Promotions:

1. Loyalty Program: Implement a rewards program.
2. Combination of grades resulting into better pricing program.

Key points :

Rajputana stainless limited is yet to finalize on the allocated budget for the marketing expense.

Steel Industry majorly is reliant on the brand name of the company for which Company gets the benefit of being in the market for 30 years.

Sales Realization

Particulars	Units	FY27	FY28	FY29	FY30	FY31
Product Portfolio						
304L	INR/MT	265,000	265,000	265,000	265,000	265,000
316L	INR/MT	378,000	378,000	378,000	378,000	378,000
321Ti	INR/MT	340,000	340,000	340,000	340,000	340,000
316Ti	INR/MT	450,000	450,000	450,000	450,000	450,000
2205	INR/MT	490,000	490,000	490,000	490,000	490,000
904L	INR/MT	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
317L	INR/MT	515,000	515,000	515,000	515,000	515,000
410L	INR/MT	175,000	175,000	175,000	175,000	175,000
Domestic Sales Rate - SS Tubes	**INR/MT**	**344,850**	**344,850**	**344,850**	**344,850**	**344,850**
Scrap sales rate	INR/MT	125,000	125,000	125,000	125,000	125,000
Scale sales rate	INR/MT	5,000	5,000	5,000	5,000	5,000

Based on the proposed product and current market trend, D&B India has considered the following sales price:

- SS seamless Pipes INR 3.45 Lakh per MT
- Scrap INR 1.25 Lakh per MT
- Scale INR 0.05 Lakh per MT

D&B-India has considered the capacity utilization of plant at 50% in FY 2027, 80% in FY 2028, 85% in FY 2029 & 95% in FY 2030 which is then carried forward for remaining projected period.

Based on the capacity utilization of manufacturing facility and the proposed selling rates the sales are arrived as for FY 2027 at INR 156.85 Cr, for FY 2028 at INR 263.12 Cr, for FY2029 at INR 286.10 Cr, for FY2030 at INR 318.69 Cr which then increases to INR 321.12 Cr throughout the projected period. D&B-India asserts that, the capacity utilization & production proportion can be achieved by Company subject to proper management of assets and adherence to work schedule.

Operating Costs

The annual manufacturing expenses are estimated based on the interaction with Company's officials, industry standards and technical evaluations. The estimated annual manufacturing expenses for the plant, in the next few years are given as under:

Annual Operating Expenses (Values in INR Cr)

Particulars	FY27	FY28	FY29	FY30	FY31
Cost of Materials Consumed	136.76	218.82	232.50	259.85	259.85
Stores, Water and Consumables	5.55	8.88	9.43	10.54	10.54
Packaging Expenses	0.14	0.23	0.24	0.27	0.27
Power & Fuel Expenses	8.17	13.08	13.89	15.53	15.53
Manpower Expense	0.80	1.51	1.91	2.44	2.52
Repair and Maintenance Charges	0.09	0.14	0.15	0.15	0.15
Other Manufacturing Expense & Insurance Expense	0.28	0.34	0.34	0.35	0.33
Sub-total	**151.80**	**242.99**	**258.46**	**289.13**	**289.20**
Add: Opening WIP	-	2.00	3.21	3.41	3.81
Add: Opening FG	-	9.43	14.86	15.81	17.67
Less: Closing WIP	2.00	3.21	3.41	3.81	3.81
Less: Closing FG	9.43	14.86	15.81	17.67	17.68
Cost of Production	**140.37**	**236.36**	**257.30**	**286.86**	**289.19**
Admin Expenses	0.94	0.96	0.99	1.02	1.05
Selling Expenses	5.49	5.26	5.72	6.37	6.42
Total Operating Expenses	**146.80**	**242.58**	**264.02**	**294.26**	**296.66**

Source: D&B-India

*Per unit costing is given below in Annexure.

- The Company has provided the technical and operating assumptions. D&B India and vetted the same based on the secondary research and industry benchmarking The consumables purchase rates are taken as per industry standards. The raw material loading & unloading cost are considered as INR 50/ MT ofbars to be transferred from existing facility by material movement equipment.
- The SS bars purchase rate for production of seamless pipes is considered at INR 2,67,400/ MT, which is assumed to be the cost of production of bars manufactured in the existing unit. The stores & spares expenses for seamless pipes production are considered at INR 11540/ MT which includes cost for cutting, end cutting, pickling, degreasing, polishing, passivation & final inspection, testing & packing. The water & other consumables expense is considered at INR 5/ KL. D&B-India has considered these consumption norms from similar industry usage. D&B-India as per secondary research have found the rates to be appropriate.
- The power consumption and requirement are considered as 2,563 kWh/ MT of Pierced pipe produced and the power purchase rate is taken at INR 5.50 per kWh.
- The packaging expenses are considered as INR 300/ MT of production.
- The operational manpower expenses for FY 27, full year of operation is arrived at INR 0.80, For FY 28 at INR 1.51, for FY 29 at INR 1.91 and for FY 30 at INR 2.44 Crore which is then increased by inflation rate of 3.0% YoY for the projected period.
- The repair & maintenance expense is considered at 0.75% of GFA of the project over the projected period.
- The other manufacturing expenses for sales is considered at INR 250/ MT. The insurance cost is considered at 1.00% of NFA for FY 27. The repair & maintenance cost for FY 27 is arrived at INR 0.10 Crore which is then increased by 3% YoY for the projected period.

- The administrative expenses for FY 2027 is arrived at INR 0.94 & INR 0.96 Crore in FY2028 which is then increased by inflation rate of 3.00% for the projected period.
- The Company need to establish its products in the market. Therefore, for the initial full year of operations, selling expenses are estimated to be 3.50% of net sales in FY 27, decreasing to 2.00% in FY 28 and maintained at that level for the subsequent projected period.

EBITDA

The average operating margin or the EBITDA margin for SS seamless pipes unit works out to be ~6.41% to 7.81%. The EBITDA margin as per industry standards is found to be inline considering the Company is saving on raw material cost & transportation cost due to internal transfer from adjacent existing facility.
As the raw material will be internally available, there are no creditor days considered.

Working Capital

D&B-India has prepared the Peer Analysis data of Venus Pipes & tubes Limited (India), Scoda Tubes Limited, Maxim Tubes Company Private Limited, Chandan Steel Limited, Shalco Industries Pvt. Ltd.

The Summary is as follows,

Ratios	Industry		Company	D&B-India Comment
	Min	Max	FY 2031	
Inventory Days	46	151	41	Below Industry range
Debtor Days	36	108	45	Within Industry Range
Creditor Days	17	118	-	Below Industry range

For Company, it proposes to transfer the Raw material for proposed facility to be transferred from existing operations, hence Inventory & Creditor Days are considered to be less than Industry standards.

Based on the industry norms and past data analysis, the holding norms assumed for estimating the working capital for Project, is as under:

Description	Days
RM Holding Norms - Domestic	15
Consumables Holding Norms	60
Packaging	30
Pipes WIP	5
Pipes FG	21
Debtors	45
Creditors	-
Annual Days	360

Based on the working capital norms as given above, the working capital requirement as estimated for the Project has been provided below:

(Values in INR Cr)

Particulars	FY27	FY28	FY29	FY30	FY31
Current Assets					
Raw Material Holding	5.70	9.12	9.69	10.83	10.83
Consumables Holding	0.95	1.52	1.61	1.80	1.80
WIP	2.00	3.21	3.41	3.81	3.81
FG	9.43	14.86	15.81	17.68	17.68
Debtors	19.61	32.89	35.76	39.84	40.14

Total Current Assets	**37.68**	**61.58**	**66.27**	**73.95**	**74.26**
Current Liabilities					
Creditors under cc	-	-	-	-	-
Creditors under lc	-	-	-	-	-
Total Current Liabilities	**-**	**-**	**-**	**-**	**-**
Working Capital Gap	**37.68**	**61.58**	**66.27**	**73.95**	**74.26**

Source: D&B-India

- The total project cost of the company is brought as a part of IPO Proceeds and hence no funds are raised through means of debt. Therefore, no interest cost on working capital is considered.

Depreciation

The depreciation rates considered for estimating the depreciation based on SLM method for Companies Act method, is as under:

Particulars of Assets	Company Act
Land Cost	0.00%
Civil & Structural Work, Site Development	3.17%
Plant & Equipment	11.88%
Misc. Fixed Assets	11.88%

Tax

D&B India has carried out the tax assessment for the Project, as per the Income Tax Act 1961, Section 115BAA as per the following table:

Particulars	Rate (%)
Base Rate	22.00%
Income Tax Surcharge	10.00%
Health & Education Cess	4.00%
Corporate Tax Rate	25.17%

NOTE: The domestic companies, which have opted for special taxation regime under Section 115BAA & 115BAB are exempted from provision of Minimum Alternate Tax (MAT).

Standalone Expansion Profitability

Profit & Loss Statement

(Values in INR Crore)

Particulars	FY27	FY28	FY29	FY30	FY31
Revenue from Operations					
Gross Revenue	**156.85**	**263.12**	**286.10**	**318.69**	**321.12**
Export Sales	-	-	-	-	-
Domestic Sales	153.57	257.67	280.20	312.11	314.50
Other Operating Income	3.28	5.45	5.90	6.57	6.62
Total Net Revenue	**156.85**	**263.12**	**286.10**	**318.69**	**321.12**
Operating Expenses					
Cost of Materials Consumed	136.76	218.82	232.50	259.85	259.85
Stores, Water and Consumables	5.55	8.88	9.43	10.54	10.54
Packaging Expenses	0.14	0.23	0.24	0.27	0.27
Power & Fuel Expenses	8.17	13.08	13.89	15.53	15.53
Manpower Expense	0.80	1.51	1.91	2.44	2.52
Repair and Maintenance Charges	0.09	0.14	0.15	0.15	0.15
Other Manufacturing Expense & Insurance Expense	0.28	0.34	0.34	0.35	0.33
Sub-total	**151.80**	**242.99**	**258.46**	**289.13**	**289.20**
Add: Opening WIP	-	2.00	3.21	3.41	3.81
Add: Opening FG	-	9.43	14.86	15.81	17.67
Less: Closing WIP	2.00	3.21	3.41	3.81	3.81
Less: Closing FG	9.43	14.86	15.81	17.67	17.68
Cost of Production	**140.37**	**236.36**	**257.30**	**286.86**	**289.19**
Admin Expenses	0.94	0.96	0.99	1.02	1.05
Selling Expenses	5.49	5.26	5.72	6.37	6.42
Total Operating Expenses	**146.80**	**242.58**	**264.02**	**294.26**	**296.66**
EBITDA	10.06	20.54	22.08	24.43	24.46
EBITDA Margin	**6.41%**	**7.81%**	**7.72%**	**7.67%**	**7.62%**
Depreciation	1.61	1.61	1.61	1.61	1.61
EBIT	**8.45**	**18.93**	**20.47**	**22.82**	**22.85**
Interest on New Term Loan	-	-	-	-	-
Interest on WC	-	-	-	-	-
Interest on Unsecured loan	-	-	-	-	-
Bank charges/ loan processing fees	-	-	-	-	-
EBT	**8.45**	**18.93**	**20.47**	**22.82**	**22.85**
Current Tax	1.92	4.64	5.10	5.76	5.82
Deferred Tax					
PAT	**6.53**	**14.29**	**15.37**	**17.07**	**17.03**
Net profit margin	**4.16%**	**5.43%**	**5.37%**	**5.36%**	**5.30%**

Source: D&B-India

Cash Flow Statement

(Values in INR Crore)

Particulars	FY26	FY27	FY28	FY29	FY30	FY31
Cash Inflow						
PAT	-	6.53	14.29	15.37	17.07	17.03
DEPRICATION	-	1.61	1.61	1.61	1.61	1.61
Increase in Share Capital	18.32	37.68	-	-	-	-
Increase in Internal Accruals for GST Payment	3.24	-	-	-	-	-
Increase in Reserves	-	-	-	-	-	-
Increase in Long Term Liabilities	-	-	-	-	-	-
Increase in New Term Loan	-	-	-	-	-	-

Increase in Unsecured Loan	-	-	-	-	-	-
Increase in Deferred Tax Liabilities	-	-	-	-	-	-
Increase in Other non-current Liabilities	-	-	-	-	-	-
Increase in Working Capital Limit	-	-	-	-	-	-
Increase in Creditors	-	-	-	-	-	-
Increase in Current maturities of New Term Loan	-	-	-	-	-	-
Increase in Other current Liabilities	-	-	-	-	-	-
Decrease in Gross Fixed Assets	-	-	-	-	-	-
Decrease in CWIP	-	18.32	-	-	-	-
Decrease in Investment	-	-	-	-	-	-
Decrease in Non-current trade receivables	-	-	-	-	-	-
Decrease in Other Non-current Asset	-	-	-	-	-	-
Decrease in Margin Money Deposited	-	-	-	-	-	-
Decrease in Raw Material Holding	-	-	-	-	-	-
Decrease in Consumables Holding	-	-	-	-	-	-
Decrease in WIP	-	-	-	-	-	-
Decrease in FG	-	-	-	-	-	-
Decrease in Debtors	-	-	-	-	-	-
Decrease in GST Credit	-	1.81	1.43	-	-	-
Total cash inflow	**21.55**	**65.94**	**17.32**	**16.98**	**18.67**	**18.64**
Cash outflow						
Decrease in Share Capital	-	-	-	-	-	-
Decrease in Internal Accruals for GST Payment	-	-	3.24	-	-	-
Decrease in Reserves	-	-	-	-	-	-
Decrease in Long Term Liabilities	-	-	-	-	-	-
Decrease in New Term Loan	-	-	-	-	-	-
Decrease in Unsecured Loan	-	-	-	-	-	-
Decrease in Deferred Tax Liabilities	-	-	-	-	-	-
Decrease in Other non-current Liabilities	-	-	-	-	-	-
Decrease in Working Capital Limit	-	-	-	-	-	-
Decrease in Creditors	-	-	-	-	-	-
Decrease in Current maturities of New Term Loan	-	-	-	-	-	-
Decrease in Other current Liabilities	-	-	-	-	-	-
increase in Gross Fixed Assets	-	18.32	-	-	-	-
increase in CWIP	18.32	-	-	-	-	-
increase in Investment	-	-	-	-	-	-
increase in Non-current trade receivables	-	-	-	-	-	-
increase in Other Non-current Asset	-	-	-	-	-	-
increase in Margin Money Deposited	-	-	-	-	-	-
increase in Raw Material Holding	-	5.70	3.42	0.57	1.14	-
increase in Consumables Holding	-	0.95	0.57	0.09	0.19	-
increase in WIP	-	2.00	1.20	0.20	0.40	0.00
increase in FG	-	9.43	5.43	0.95	1.87	0.01
increase in Debtors	-	19.61	13.28	2.87	4.07	0.30
increase in GST Credit	3.24	-	-	-	-	-
Total cash outflow	**21.55**	**56.00**	**27.14**	**4.69**	**7.67**	**0.31**
Cash during the year	**-**	**9.95**	**-9.82**	**12.29**	**11.00**	**18.33**
add: opening	-	-	9.95	0.13	12.41	23.41
closing balance	**-**	**9.95**	**0.13**	**12.41**	**23.41**	**41.74**

Source: D&B-India

Balance Sheet

(Values in INR Crore)

Particulars	FY26	FY27	FY28	FY29	FY30	FY31
LIABILITIES						
Shareholders' Funds						
Share Capital	18.32	56.00	56.00	56.00	56.00	56.00
Internal Accruals for GST Payment	3.24	3.24		-	-	-
Reserves						

Profit & Loss Account	-	6.53	20.81	36.18	53.25	70.28
Total Shareholders' Funds	**21.55**	**65.76**	**76.81**	**92.18**	**109.25**	**126.28**
Long Term Liabilities						
New Term Loan	-	-	-	-	-	-
Unsecured Loan	-	-	-	-	-	-
Deferred Tax Liabilities						
Total Long Term Liabilities	**-**	**-**	**-**	**-**	**-**	**-**
Current Liabilities						
Working Capital Limit	-	-	-	-	-	-
Creditors	-	-	-	-	-	-
Current maturities of New Term Loan	-	-	-	-	-	-
Other current Liabilities						
Total Current Liabilities	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL LIABILITIES	**21.55**	**65.76**	**76.81**	**92.18**	**109.25**	**126.28**
ASSETS						
Gross Fixed Assets	-	18.32	18.32	18.32	18.32	18.32
Less: Accum. Depreciation	-	1.61	3.22	4.82	6.43	8.04
Net Fixed Assets	**-**	**16.71**	**15.10**	**13.49**	**11.89**	**10.28**
CWIP	**18.32**	-				
Current Assets						
Cash & Cash equivalent	-	9.95	0.13	12.41	23.41	41.74
Margin Money Deposited	-	-	-	-	-	-
Raw Material Holding	-	5.70	9.12	9.69	10.83	10.83
Consumables Holding	-	0.95	1.52	1.61	1.80	1.80
WIP	-	2.00	3.21	3.41	3.81	3.81
FG	-	9.43	14.86	15.81	17.67	17.68
Debtors	-	19.61	32.89	35.76	39.84	40.14
GST Credit	3.24	1.43	-	-	-	-
Total Current Assets	**3.24**	**49.05**	**61.71**	**78.69**	**97.36**	**116.00**
TOTAL ASSETS	**21.55**	**65.76**	**76.81**	**92.18**	**109.25**	**126.28**

Source: D&B-India

Existing Financials

Projections of Existing facility are considered as provided by Company, D&B-India has not validated the same and considered it for the preparation of Consolidated financials.

Profit & Loss Statement

(Values in INR Crore)

Particulars	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Revenue from Operations									
Gross Revenue	**950.69**	**915.50**	**1,006.88**	**1,077.36**	**1,152.78**	**1,233.47**	**1,319.82**	**1,412.20**	**1,511.06**
Export Sales									
Domestic Sales	947.67	909.81	1,000.79	1,070.84	1,145.80	1,226.01	1,311.83	1,403.66	1,501.91
Other Operating Income	3.02	**5.69**	6.09	6.52	6.98	7.46	7.99	8.55	9.14
Total Net Revenue	**950.69**	**915.50**	**1,006.88**	**1,077.36**	**1,152.78**	**1,233.47**	**1,319.82**	**1,412.20**	**1,511.06**
Operating Expenses									
Cost of Materials Consumed	748.55	742.78	799.99	855.98	915.90	980.02	1,048.62	1,122.02	1,200.56
Stores, Water and Consumables	44.17	39.58	45.04	48.19	51.56	55.17	59.03	63.16	67.59
Packaging Expenses	-	-	-	-	-	-	-	-	-
Power & Fuel Expenses	31.67	33.61	35.03	37.48	40.10	42.91	45.91	49.13	52.57
Manpower Expense	21.64	24.96	25.02	26.77	28.65	30.65	32.80	35.09	37.55
Repair and Maintenance Charges	1.16	1.86	1.50	1.61	1.72	1.84	1.97	2.11	2.25
Other Manufacturing Expense & Insurance Expense	18.36	22.97	21.02	22.49	24.06	25.75	27.55	29.48	31.54
Sub-total	**865.54**	**865.76**	**927.59**	**992.52**	**1,061.99**	**1,136.33**	**1,215.88**	**1,300.99**	**1,392.06**
Add: Opening WIP	4.29	5.05	4.56	5.56	5.95	6.37	6.81	7.29	7.80
Add: Opening FG	68.02	36.85	59.96	66.72	71.39	76.39	81.73	87.46	93.58
Less: Closing WIP	5.05	4.56	5.56	5.95	6.37	6.81	7.29	7.80	8.34
Less: Closing FG	36.85	59.96	66.72	71.39	76.39	81.73	87.46	93.58	100.13
Cost of Production	**895.95**	**843.15**	**919.82**	**987.46**	**1,056.58**	**1,130.54**	**1,209.68**	**1,294.36**	**1,384.96**
Admin Expenses	5.59	**5.90**	6.00	6.43	6.87	7.36	7.87	8.42	9.01
Selling Expenses	2.29	**1.35**	2.00	2.14	2.29	2.45	2.62	2.81	3.00
Total Operating Expenses	**903.83**	**850.40**	**927.83**	**996.02**	**1,065.75**	**1,140.35**	**1,220.17**	**1,305.58**	**1,396.98**
EBITDA	46.86	65.10	79.05	81.34	87.03	93.13	99.64	106.62	114.08
EBITDA Margin	**4.93%**	**7.11%**	**7.85%**	**7.55%**	**7.55%**	**7.55%**	**7.55%**	**7.55%**	**7.55%**
Depreciation	6.91	8.32	8.62	8.91	9.20	9.49	9.77	10.06	10.35
EBIT	**39.95**	**56.79**	**70.43**	**72.43**	**77.83**	**83.64**	**89.87**	**96.56**	**103.73**
Interest on New Term Loan	2.85	4.40	1.82	-	-	-	-	-	-
Interest on WC	6.83	7.61	6.85	0.70	0.70	0.70	0.70	0.70	0.70
Interest on Unsecured loan	-	-							
Bank charges/ loan processing fees	1.69	2.46	2.46	2.46	2.46	2.46	2.46	2.46	2.46

EBT before other Income	**28.58**	**42.32**	**59.30**	**69.27**	**74.68**	**80.48**	**86.71**	**93.40**	**100.58**
Add: Other Income	-	-							
Less: Other Expenses	-	-							
EBT	**28.58**	**42.32**	**59.30**	**69.27**	**74.68**	**80.48**	**86.71**	**93.40**	**100.58**
Current Tax	8.27	10.56	14.93	17.44	18.80	20.26	21.83	23.51	25.32
Deferred Tax	-3.74	0.14							
PAT	**24.04**	**31.63**	**44.38**	**51.84**	**55.88**	**60.23**	**64.89**	**69.89**	**75.26**
Dividend on Equity Shares									
Tax on equity shares									
Retained Earnings	**24.04**	**31.63**	**44.38**	**51.84**	**55.88**	**60.23**	**64.89**	**69.89**	**75.26**
Net profit margin	**3%**	**3%**	**4%**	**5%**	**5%**	**5%**	**5%**	**5%**	**5%**

Cash Flow Statement

(Values in INR Crore)

Particulars	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Cash Inflow							
PAT	44.38	51.84	55.88	60.23	64.89	69.89	75.26
Depreciation	8.62	8.91	9.20	9.49	9.77	10.06	10.35
Increase in Share Capital	-	19.00	-	-	-	-	-
Increase in Reserves	-	162.50	-	-	-	-	-
Increase in Term Loan	-	-	-	-	-	-	-
Increase in Unsecured Loan	-	-	-	-	-	-	-
Increase in Deferred Tax Liabilities	-	-	-	-	-	-	-
Increase in Other non-current Liabilities	-	-	-	-	-	-	-
Increase in Working Capital Limit	3.12	-	-	-	-	-	-
Increase in Creditors	-	7.00	7.49	8.01	8.58	9.18	9.82
Increase in Current maturities of Term Loan	-	-	-	-	-	-	-
Increase in Other current Liabilities	-	-	-	-	-	-	-
Decrease in Gross Fixed Assets	-	-	-	-	-	-	-
Decrease in CWIP	0.03	-	-	-	-	-	-
Decrease in Investment	-	-	0.00	-	-	-	-
Decrease in Non-current trade receivables	-	-	-	-	-	-	-
Decrease in Other Non-current Asset	-	-	-	-	-	-	-
Decrease in Margin Money Deposited	-	-	-	-	-	-	-
Decrease in Raw Material Holding	-	-	-	-	-	-	-
Decrease in Consumables Holding	-	-	-	-	-	-	-
Decrease in WIP	-	-	-	-	-	-	-
Decrease in FG	-	-	-	-	-	-	-
Decrease in Debtors	-	-	-	-	-	-	-

Decrease in Other Current Assets	-	-	-	-	-	-	-
Total Cash Inflow	**56.15**	**249.25**	**72.57**	**77.73**	**83.24**	**89.13**	**95.43**
Cash Outflow							
Decrease in Share Capital	-	-	-	-	-	-	-
Decrease in Reserves	-	-	-	-	-	-	-
Decrease in Term Loan	2.92	14.00	-	-	-	-	-
Decrease in Unsecured Loan	-	-	-	-	-	-	-
Decrease in Deferred Tax Liabilities	-	-	-	-	-	-	-
Decrease in Other non-current Liabilities	-	-	-	-	-	-	-
Decrease in Working Capital Limit	-	52.50	-	-	-	-	-
Decrease in Creditors	3.35	-	-	-	-	-	-
Decrease in Current maturities of Term Loan	0.99	5.00	-	-	-	-	-
Decrease in Other current Liabilities	-	-	-	-	-	-	-
Increase in Gross Fixed Assets	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Increase in CWIP	-	-	-	-	-	-	-
Increase in Investment	-	56.00	-	-	-	-	-
Increase in General Corporate Purpose	-	49.00	-	-	-	-	-
Increase in Non-current trade receivables	-	-	-	-	-	-	-
Increase in Other Non-current Asset	-	49.00	50.00	-	-	-	-
Increase in Margin Money Deposited	-	-	-	-	-	-	-
Increase in Raw Material Holding	2.91	2.85	3.05	3.26	3.49	3.73	4.00
Increase in Consumables Holding	-	-	-	-	-	-	-
Increase in WIP	1.00	0.39	0.42	0.45	0.48	0.51	0.55
Increase in FG	6.76	4.67	5.00	5.35	5.72	6.12	6.55
Increase in Debtors	22.38	7.83	8.38	8.97	9.59	10.27	10.98
Increase in Other Current Assets	-	-	-	-	-	-	-
Total Cash Outflow	**45.32**	**246.24**	**71.84**	**23.02**	**24.28**	**25.63**	**27.08**
Cash during Year	**10.83**	**3.01**	**0.73**	**54.71**	**58.96**	**63.50**	**68.35**
Opening Cash	0.02	10.86	13.87	14.60	69.31	128.26	191.76
Closing Cash	**10.86**	**13.87**	**14.60**	**69.31**	**128.26**	**191.76**	**260.12**

Balance Sheet

(Values in INR Crore)

Particulars	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
LIABILITIES									
Shareholders' Funds									
Share Capital	34.46	34.46	68.92	87.92	87.92	87.92	87.92	87.92	87.92
Reserves	1.29	0.76	0.76	163.26	163.26	163.26	163.26	163.26	163.26
Profit & Loss Account	45.42	77.05	86.97	138.80	194.69	254.91	319.80	389.69	464.96
Total Shareholders' Funds	**81.17**	**112.27**	**156.65**	**389.98**	**445.86**	**506.09**	**570.98**	**640.87**	**716.13**

Long Term Liabilities									
Term Loan	22.25	16.92	14.00		-	-	-	-	-
Unsecured Loan	2.56	**2.56**	2.56	2.56	2.56	2.56	2.56	2.56	2.56
Deferred Tax Liabilities	7.01	**6.96**	6.96	6.96	6.96	6.96	6.96	6.96	6.96
Other non-current Liabilities	13.16	**2.67**	2.67	2.67	2.67	2.67	2.67	2.67	2.67
Total Long Term Liabilities	**44.98**	**29.11**	**26.19**	**12.19**	**12.19**	**12.19**	**12.19**	**12.19**	**12.19**
Current Liabilities									
Working Capital Limit	48.81	54.38	57.50	5.00	5.00	5.00	5.00	5.00	5.00
Creditors	97.54	103.35	100.00	107.00	114.49	122.50	131.08	140.25	150.07
Current maturities of Term Loan	6.21	5.99	5.00						
Other current Liabilities	18.63	19.01	19.01	19.01	19.01	19.01	19.01	19.01	19.01
Total Current Liabilities	**171.19**	**182.73**	**181.51**	**131.01**	**138.50**	**146.51**	**155.09**	**164.26**	**174.08**
TOTAL LIABILITIES	**297.34**	**324.10**	**364.34**	**533.18**	**596.55**	**664.79**	**738.25**	**817.32**	**902.40**
ASSETS									
Gross Fixed Assets	118.94	145.00	150.00	155.00	160.00	165.00	170.00	175.00	180.00
Less: Accum. Depreciation	66.22	74.54	83.16	92.07	101.27	110.76	120.54	130.60	140.95
Net Fixed Assets	**52.72**	**70.46**	**66.84**	**62.92**	**58.72**	**54.24**	**49.46**	**44.40**	**39.05**
CWIP	15.48	**0.03**			-				
Non-current Assets									
Investment			-	56.00	56.00	56.00	56.00	56.00	56.00
Non-current trade receivables									
General Corporate Purpose				49.00	49.00	49.00	49.00	49.00	49.00
Other Non-current Asset	5.97	**1.38**	1.38	50.38	100.38	100.38	100.38	100.38	100.38
Total Non-current Assets	**5.97**	**1.38**	**1.38**	**155.37**	**205.37**	**205.37**	**205.37**	**205.37**	**205.37**
Current Assets			-45.14						
IPO expansion marked (Out of Cash & CE)			56.00	-	-	-	-	-	-
Cash & Cash equivalent	0.05	**0.02**	10.86	13.87	14.60	69.31	128.26	191.76	260.12
Margin Money Deposited	-	**-**	-	-	-	-	-	-	-
Raw Material Holding	44.02	**37.79**	40.70	43.55	46.60	49.86	53.35	57.08	61.08
Consumables Holding	2.12	**1.89**	1.89	1.89	1.89	1.89	1.89	1.89	1.89
WIP	5.05	**4.56**	5.56	5.95	6.37	6.81	7.29	7.80	8.34
FG	36.85	**59.96**	66.72	71.39	76.39	81.73	87.46	93.58	100.13
Debtors	106.69	**89.50**	111.88	119.71	128.09	137.05	146.65	156.91	167.90
Other Current Assets	28.38	**58.53**	58.53	58.53	58.53	58.53	58.53	58.53	58.53
Total Current Assets	**223.16**	**252.24**	**296.13**	**314.88**	**332.45**	**405.18**	**483.42**	**567.55**	**657.98**
TOTAL ASSETS	**297.33**	**324.10**	**364.34**	**533.18**	**596.55**	**664.79**	**738.25**	**817.32**	**902.40**

Consolidated Profitability

Profit & Loss Statement

(Values in INR Crore)

Particulars	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Revenue from Operations									
Gross Revenue	**950.69**	**915.50**	**1,006.88**	**1,077.36**	**1,172.89**	**1,277.82**	**1,373.46**	**1,471.09**	**1,572.38**
Export Sales	-	-	-	-	-	-	-	-	-
Domestic Sales	947.67	909.81	1,000.79	1,070.84	1,162.64	1,264.90	1,359.58	1,455.97	1,556.62
Other Operating Income	3.02	5.69	6.09	6.52	10.26	12.91	13.89	15.12	15.76
Total Net Revenue	**950.69**	**915.50**	**1,006.88**	**1,077.36**	**1,172.89**	**1,277.82**	**1,373.46**	**1,471.09**	**1,572.38**
Operating Expenses									
Cost of Materials Consumed	748.55	742.78	799.99	855.98	915.93	980.06	1,048.66	1,122.07	1,200.61
Stores, Water and Consumables	44.17	39.58	45.04	48.19	57.11	64.05	68.47	73.71	78.13
Packaging Expenses	-	-	-	-	0.14	0.23	0.24	0.27	0.27
Power & Fuel Expenses	31.67	33.61	35.03	37.48	48.28	55.99	59.81	64.65	68.09
Manpower Expense	21.64	24.96	25.02	26.77	29.45	32.16	34.70	37.54	40.07
Repair and Maintenance Charges	1.16	1.86	1.50	1.61	1.81	1.98	2.11	2.26	2.41
Other Manufacturing Expense & Insurance Expense	18.36	22.97	21.02	22.49	24.34	26.08	27.89	29.82	31.87
Sub-total	**865.54**	**865.76**	**927.59**	**992.52**	**1,077.05**	**1,160.54**	**1,241.88**	**1,330.32**	**1,421.45**
Add: Opening WIP	4.29	5.05	4.56	5.56	5.95	8.37	10.02	10.70	11.61
Add: Opening FG	68.02	36.85	59.96	66.72	71.39	85.81	96.59	103.26	111.25
Less: Closing WIP	5.05	4.56	5.56	5.95	8.37	10.02	10.70	11.61	12.15
Less: Closing FG	36.85	59.96	66.72	71.39	85.81	96.59	103.26	111.25	117.81
Cost of Production	**895.95**	**843.15**	**919.82**	**987.46**	**1,060.21**	**1,148.12**	**1,234.53**	**1,321.42**	**1,414.35**
Admin Expenses	5.59	5.90	6.00	6.43	7.81	8.32	8.86	9.44	10.06
Selling Expenses	2.29	1.35	2.00	2.14	7.78	7.71	8.35	9.18	9.43
Total Operating Expenses	**903.83**	**850.40**	**927.83**	**996.02**	**1,075.80**	**1,164.15**	**1,251.74**	**1,340.04**	**1,433.84**
EBITDA	46.86	65.10	79.05	81.34	97.09	113.66	121.73	131.05	138.54
EBITDA Margin	**4.93%**	**7.11%**	**7.85%**	**7.55%**	**8.28%**	**8.90%**	**8.86%**	**8.91%**	**8.81%**
Depreciation	6.91	8.32	8.62	8.91	10.81	11.09	11.38	11.67	11.96
EBIT	**39.95**	**56.79**	**70.43**	**72.43**	**86.28**	**102.57**	**110.34**	**119.38**	**126.58**
Interest on New Term Loan	2.85	4.40	1.82	-	-	-	-	-	-
Interest on WC	6.83	7.61	6.85	0.70	0.70	0.70	0.70	0.70	0.70
Interest on Unsecured loan	-	-	-	-	-	-	-	-	-
Bank charges/ loan processing fees	1.69	2.46	2.46	2.46	2.46	2.46	2.46	2.46	2.46
EBT before other Income	**28.58**	**42.32**	**59.30**	**69.27**	**83.13**	**99.41**	**107.19**	**116.22**	**123.43**
Add: Other Income	-	-	-	-	-	-	-	-	-
Less: Other Expenses	-	-	-	-	-	-	-	-	-
EBT	**28.58**	**42.32**	**59.30**	**69.27**	**83.13**	**99.41**	**107.19**	**116.22**	**123.43**

Current Tax	8.27	10.56	14.93	17.44	20.72	24.90	26.93	29.27	31.13
Deferred Tax	-3.74	0.14	-	-	-	-	-	-	-
PAT	**24.04**	**31.63**	**44.38**	**51.84**	**62.41**	**74.51**	**80.26**	**86.96**	**92.30**
Dividend on Equity Shares	-	-	-	-	-	-	-	-	-
Tax on equity shares	-	-	-	-	-	-	-	-	-
Retained Earnings	**24.04**	**31.63**	**44.38**	**51.84**	**62.41**	**74.51**	**80.26**	**86.96**	**92.30**
Net profit margin	**3%**	**3%**	**4%**	**5%**	**5%**	**6%**	**6%**	**6%**	**6%**

Cash Flow Statement

(Values in INR Crore)

Particulars	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Cash Inflow							
PAT	44.38	51.84	62.41	74.51	80.26	86.96	92.30
Depreciation	8.62	8.91	10.81	11.09	11.38	11.67	11.96
Increase in Share Capital	-	19.00	0.00	-	-	-	-
Increase in Reserves	-	162.50	-	-	-	-	-
Increase in Term Loan	-	-	-	-	-	-	-
Increase in Unsecured Loan	-	-	-	-	-	-	-
Increase in Deferred Tax Liabilities	-	-	-	-	-	-	-
Increase in Other non-current Liabilities	-	-	-	-	-	-	-
Increase in Working Capital Limit	3.12	-	-	-	-	-	-
Increase in Creditors	-	7.00	7.49	8.01	8.58	9.18	9.82
Increase in Current maturities of Term Loan	-	-	-	-	-	-	-
Increase in Other current Liabilities	-	-	-	-	-	-	-
Decrease in Gross Fixed Assets	-	-	-	-	-	-	-
Decrease in CWIP	0.03	-	18.32	-	-	-	-
Decrease in Investment	-	-	37.68	-	-	-	-
Decrease in Non-current trade receivables	-	-	-	-	-	-	-
Decrease in Other Non-current Asset	-	-	-	-	-	-	-
Decrease in Margin Money Deposited	-	-	-	-	-	-	-
Decrease in Raw Material Holding	-	-	-	-	-	-	-
Decrease in Consumables Holding	-	-	-	-	-	-	-
Decrease in WIP	-	-	-	-	-	-	-
Decrease in FG	-	-	-	-	-	-	-
Decrease in Debtors	-	-	-	-	-	-	-
Decrease in Other Current Assets	-	-	1.81	1.43	-	-	-
Total Cash Inflow	**56.15**	**249.25**	**138.51**	**95.05**	**100.22**	**107.80**	**114.07**
Cash Outflow							
Decrease in Share Capital	-	-	-	-	-	-	-
Decrease in Reserves	-	-	-	-	-	-	-

Decrease in Term Loan	2.92	14.00	-	-	-	-	-
Decrease in Unsecured Loan	-	-	-	-	-	-	-
Decrease in Deferred Tax Liabilities	-	-	-	-	-	-	-
Decrease in Other non-current Liabilities	-	-	-	-	-	-	-
Decrease in Working Capital Limit	-	52.50	-	-	-	-	-
Decrease in Creditors	3.35	-	-	-	-	-	-
Decrease in Current maturities of Term Loan	0.99	5.00	-	-	-	-	-
Decrease in Other current Liabilities	-	-	-	-	-	-	-
Increase in Gross Fixed Assets	5.00	5.00	23.32	5.00	5.00	5.00	5.00
Increase in CWIP	-	18.32	-	-	-	-	-
Increase in Investment	-	37.68	-	-	-	-	-
Increase in General Corporate Purpose	-	49.00	-	-	-	-	-
Increase in Non-current trade receivables	-	-	-	-	-	-	-
Increase in Other Non-current Asset	-	49.00	50.00	-	-	-	-
Increase in Margin Money Deposited	-	-	-	-	-	-	-
Increase in Raw Material Holding	2.91	2.85	8.75	6.68	4.06	4.87	4.00
Increase in Consumables Holding	-	-	0.95	0.57	0.09	0.19	-
Increase in WIP	1.00	0.39	2.42	1.65	0.68	0.91	0.55
Increase in FG	6.76	4.67	14.42	10.78	6.67	7.99	6.56
Increase in Debtors	22.38	7.83	27.99	22.25	12.47	14.34	11.29
Increase in Other Current Assets	-	3.24	-	-	-	-	-
Total Cash Outflow	**45.32**	**249.47**	**127.84**	**46.92**	**28.97**	**33.31**	**27.39**
Cash during Year	**10.83**	**-0.22**	**10.68**	**48.12**	**71.24**	**74.50**	**86.68**
Opening Cash	0.02	10.86	10.63	21.31	69.43	140.68	215.18
Closing Cash	**10.86**	**10.63**	**21.31**	**69.43**	**140.68**	**215.18**	**301.86**

Balance Sheet

(Values in INR Crore)

Particulars	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
LIABILITIES									
Shareholders' Funds									
Share Capital	34.46	34.46	68.92	87.92	87.92	87.92	87.92	87.92	87.92
Reserves	1.29	0.76	0.76	163.26	163.26	163.26	163.26	163.26	163.26
Profit & Loss Account	45.42	77.05	86.97	138.80	201.21	275.73	355.99	442.94	535.24
Total Shareholders' Funds	**81.17**	**112.27**	**156.65**	**389.98**	**452.39**	**526.90**	**607.16**	**694.12**	**786.42**
Long Term Liabilities									
Term Loan	22.25	16.92	14.00	-	-	-	-	-	-
Unsecured Loan	2.56	2.56	2.56	2.56	2.56	2.56	2.56	2.56	2.56
Deferred Tax Liabilities	7.01	6.96	6.96	6.96	6.96	6.96	6.96	6.96	6.96
Other non-current Liabilities	13.16	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67

Total Long Term Liabilities	**44.98**	**29.11**	**26.19**	**12.19**	**12.19**	**12.19**	**12.19**	**12.19**	**12.19**
Current Liabilities									
Working Capital Limit	48.81	54.38	57.50	5.00	5.00	5.00	5.00	5.00	5.00
Creditors	97.54	103.35	100.00	107.00	114.49	122.50	131.08	140.25	150.07
Current maturities of Term Loan	6.21	5.99	5.00	-	-	-	-	-	-
Other current Liabilities	18.63	19.01	19.01	19.01	19.01	19.01	19.01	19.01	19.01
Total Current Liabilities	**171.19**	**182.73**	**181.51**	**131.01**	**138.50**	**146.51**	**155.09**	**164.26**	**174.08**
TOTAL LIABILITIES	**297.34**	**324.10**	**364.34**	**533.18**	**603.08**	**685.60**	**774.44**	**870.57**	**972.69**
ASSETS									
Gross Fixed Assets	118.94	145.00	150.00	155.00	178.31	183.31	188.31	193.31	198.31
Less: Accum. Depreciation	66.22	74.54	83.16	92.07	102.88	113.98	125.36	137.03	148.98
Net Fixed Assets	**52.72**	**70.46**	**66.84**	**62.92**	**75.43**	**69.34**	**62.95**	**56.28**	**49.33**
CWIP	15.48	0.03	-	18.32	-	-	-	-	-
Non-current Assets									
Investment	-	-	-	37.68	-	-	-	-	-
Non-current trade receivables	-	-	-	-	-	-	-	-	-
General Corporate Purpose			-	49.00	49.00	49.00	49.00	49.00	49.00
Other Non-current Asset	5.97	1.38	1.38	50.38	100.38	100.38	100.38	100.38	100.38
Total Non-current Assets	**5.97**	**1.38**	**1.38**	**137.06**	**149.38**	**149.38**	**149.38**	**149.38**	**149.38**
Current Assets									
Cash & Cash equivalent	0.05	0.02	10.86	10.63	21.31	69.43	140.68	215.18	301.86
Margin Money Deposited	-	-	-	-	-	-	-	-	-
Raw Material Holding	44.02	37.79	40.70	43.55	52.30	58.98	63.04	67.91	71.91
Consumables Holding	2.12	1.89	1.89	1.89	2.84	3.40	3.50	3.69	3.69
WIP	5.05	4.56	5.56	5.95	8.37	10.02	10.70	11.61	12.15
FG	36.85	59.96	66.72	71.39	85.81	96.59	103.26	111.25	117.81
Debtors	106.69	89.50	111.88	119.71	147.69	169.94	182.41	196.75	208.04
Other Current Assets	28.38	58.53	58.53	61.77	59.96	58.53	58.53	58.53	58.53
Total Current Assets	**223.16**	**252.24**	**296.13**	**314.88**	**378.27**	**466.89**	**562.11**	**664.91**	**773.98**
TOTAL ASSETS	**297.33**	**324.10**	**364.34**	**533.18**	**603.08**	**685.60**	**774.44**	**870.57**	**972.68**

Financial Analysis – Expansion Standalone

Except ratios & indicators all figures in INR Crores (unless otherwise specified)

Key Financial Ratio

(Values in INR Cr)

Particulars	Projected				
	FY27	FY28	FY29	FY30	FY31
Net Revenue	156.85	263.12	286.10	318.69	321.12
% Growth	**0.00%**	**67.75%**	**8.73%**	**11.39%**	**0.76%**
EBITDA	10.06	20.54	22.08	24.43	24.46
EBITDA Margin	**6.41%**	**7.81%**	**7.72%**	**7.67%**	**7.62%**
Net Profit	6.53	14.29	15.37	17.07	17.03
Net Profit Margin	**4.16%**	**5.43%**	**5.37%**	**5.36%**	**5.30%**
Contribution	16.57	26.91	28.94	31.98	32.09
Contribution Margin	**10.57%**	**10.23%**	**10.12%**	**10.03%**	**9.99%**
Break-Even Sales	76.89	78.00	83.71	91.23	92.45
Share Capital (Incl. IPO Proceeds)	56.00	56.00	56.00	56.00	56.00
Reserves and Surplus	6.53	20.81	36.18	53.25	70.28
Total Net Worth (TNW)	**62.52**	**76.81**	**92.18**	**109.25**	**126.28**
Unsecured Loan	-	-	-	-	-
TNW + Unsecured Loan	62.52	76.81	92.18	109.25	126.28
Secured Loan	-	-	-	-	-
Debt-Equity Ratio	**-**	**-**	**-**	**-**	**-**
Cash / Bank Balance	9.95	0.13	12.41	23.41	41.74
IRR	38.34%				
COC	16.00%				
Gap between IRR and CoC	22.34%				

Source: D&B-India

D&B India notes that ,

- The average EBITDA margin and PAT margin during projected period from FY 27 to FY 31 is estimated at 6.41% and 7.81% respectively.
- The project IRR considering financials between FY27 to FY31 is envisaged at 38.34%.

Internal Rate of Return

(Values in INR Cr)

Particulars	Projected					
	FY26	FY27	FY28	FY29	FY30	FY31
Cash Outflow:						
Initial Investment	18.32	37.68				
Total (A)	**18.32**	**37.68**	**-**	**-**	**-**	**-**
Cash Inflow:						
PAT	-	6.53	14.29	15.37	17.07	17.03
Finance Cost	-	-	-	-	-	-
Depreciation/ Amortization	-	1.61	1.61	1.61	1.61	1.61
Total (B)	**-**	**8.13**	**15.89**	**16.98**	**18.67**	**18.64**
Terminal Value						**81.97**
Net Cash inflow (a + b)	**(18.32)**	**(29.55)**	**15.89**	**16.98**	**18.67**	**100.61**
IRR (after tax)		**38.34%**				

Source: D&B-India

As per D&B India's assessment, the IRR of the Company works out to be 38.34%.

Return on Capital Employed

(Values in INR Cr)

Particulars	FY27	FY28	FY29	FY30	FY31
Earnings					
PBT	8.45	18.93	20.47	22.82	22.85
Finance Cost	-	-	-	-	-
Total Earnings (A)	**8.45**	**18.93**	**20.47**	**22.82**	**22.85**
Capital Employed					
Net Block	16.71	15.10	13.49	11.89	10.28
Non-current Assets	-	-	-	-	-
Current Assets (Incl. Cash)	49.05	61.71	78.69	97.36	116.00
Less: Current Liabilities (excl. Creditors & other Liabilities)	-	-	-	-	-
Total Obligations (B)	**65.76**	**76.81**	**92.18**	**109.25**	**126.28**
ROCE (A/B)	**12.85%**	**24.65%**	**22.21%**	**20.89%**	**18.09%**
Average ROCE	**16.14%**				

Source: D&B-India

As per D&B India's assessment, the ROCE of the Company works out to be 16.14%.

Break Even Analysis

(Values in INR Cr)

Particulars	Projected				
	FY27	FY28	FY29	FY30	FY31
Revenue	156.85	263.12	286.10	318.69	321.12
Capacity Utilization	50%	80%	85%	95%	95%
Variable Cost					
Cost of Materials Consumed	136.76	218.82	232.50	259.85	259.85
Stores, Water and Consumables	5.55	8.88	9.43	10.54	10.54
Packaging Expenses	0.14	0.23	0.24	0.27	0.27
Power & Fuel Expenses	8.17	13.08	13.89	15.53	15.53
Manpower Expense	0.80	1.51	1.91	2.44	2.52
Other Manufacturing Expense & Insurance Expense	0.28	0.34	0.34	0.35	0.33
Change in Stock	(11.43)	(6.63)	(1.15)	(2.27)	(0.01)
Interest on Working Capital & unsecured Loan	-	-	-	-	-
Total Variable Cost	**140.28**	**236.22**	**257.16**	**286.71**	**289.03**
Contribution	**16.57**	**26.91**	**28.94**	**31.98**	**32.09**
Contribution Margin %	10.57%	10.23%	10.12%	10.03%	9.99%
Fixed Costs	0.09	0.14	0.15	0.15	0.15
Repairs & Maintenance	6.43	6.23	6.72	7.40	7.48
Administrative, Selling Expense	1.61	1.61	1.61	1.61	1.61
Depreciation	-	-	-	-	-
Interest on TL	**8.12**	**7.98**	**8.47**	**9.15**	**9.24**
Total Fixed Costs	**8.45**	**18.93**	**20.47**	**22.82**	**22.85**
Profit	**6.52**	**6.37**	**6.86**	**7.55**	**7.63**
Cash Fixed Cost					
PV Ratio	**10.57%**	**10.23%**	**10.12%**	**10.03%**	**9.99%**
Break Even					
Sales	76.89	78.00	83.71	91.23	92.45
Capacity %	24.51%	23.71%	24.87%	27.20%	27.35%
Cash Break Even					
Sales	61.68	62.28	67.82	75.21	76.37
Capacity %	19.66%	18.93%	20.15%	22.42%	22.59%
Margin of Safety					
Sales	95.17	200.85	218.28	243.48	244.75
Capacity %	30.34%	61.07%	64.85%	72.58%	72.41%

Financial Analysis (Consolidated)

Except ratios & indicators all figures in INR Crores (unless otherwise specified)

Key Financial Ratio

(Values in INR Cr)

Particulars	Projected							
	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Net Revenue	915.50	1,006.88	1,077.36	1,172.89	1,277.82	1,373.46	1,471.09	1,572.38
% Growth	**0.00%**	**9.98%**	**7.00%**	**8.87%**	**8.95%**	**7.49%**	**7.11%**	**6.89%**
EBITDA	65.10	79.05	81.34	97.09	113.66	121.73	131.05	138.54
EBITDA Margin	**7.11%**	**7.85%**	**7.55%**	**8.28%**	**8.90%**	**8.86%**	**8.91%**	**8.81%**
Net Profit	31.63	44.38	51.84	62.41	74.51	80.26	86.96	92.30
Net Profit Margin	**3.45%**	**4.41%**	**4.81%**	**5.32%**	**5.83%**	**5.84%**	**5.91%**	**5.87%**
Contribution	66.60	81.71	90.81	113.79	130.98	140.35	151.23	159.74
Contribution Margin	**7.27%**	**8.12%**	**8.43%**	**9.70%**	**10.25%**	**10.22%**	**10.28%**	**10.16%**
Break-Even Sales	281.44	221.20	201.01	210.56	208.73	218.82	227.33	240.47
Share Capital (Incl. IPO Proceeds)	34.46	68.92	87.92	87.92	87.92	87.92	87.92	87.92
Reserves and Surplus	0.76	0.76	163.26	163.26	163.26	163.26	163.26	163.26
Total Net Worth (TNW)	**35.22**	**69.68**	**251.18**	**251.18**	**251.18**	**251.18**	**251.18**	**251.18**
Unsecured Loan	2.56	2.56	2.56	2.56	2.56	2.56	2.56	2.56
TNW + Unsecured Loan	37.78	72.24	253.74	253.74	253.74	253.74	253.74	253.74
Secured Loan	-	-	-	-	-	-	-	-
Debt-Equity Ratio	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Cash / Bank Balance	0.02	10.86	10.63	21.31	69.43	140.68	215.18	301.86
IRR				33.34%				
COC				14.44%				
Gap between IRR and CoC				18.91%				

Source: D&B-India

Source: D&B-India

D&B India notes that,

- The average EBITDA margin and PAT margin during projected period from FY 24 to FY 31 is estimated at 8.29% and 5.31 % respectively.
- The project IRR considering financials between FY24 to FY31 is envisaged at 33.34%.

Internal Rate of Return

(Values in INR Cr)

Particulars	Projected						
	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Cash Outflow:							
Initial Investment	245.33	18.32	37.68				
Total (A)	**245.33**	**18.32**	**37.68**	**-**	**-**	**-**	**-**
Cash Inflow:							
PAT	44.38	51.84	62.41	74.51	80.26	86.96	92.30
Finance Cost	11.13	3.16	3.16	3.16	3.16	3.16	3.16
Depreciation/ Amortization	8.62	8.91	10.81	11.09	11.38	11.67	11.96
Total (B)	**64.13**	**63.90**	**76.37**	**88.76**	**94.80**	**101.78**	**107.41**
Terminal Value							**81.97**
Net Cash inflow (a + b)	**(181.21)**	**45.59**	**38.69**	**88.76**	**94.80**	**101.78**	**189.38**
IRR (after tax)	**33.34%**						

Source: D&B-India

As per D&B India's assessment, the IRR of the Company works out to be 33.3%.

Return on Capital Employed

(Values in INR Cr)

Particulars	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Earnings							
PBT	59.30	69.27	83.13	99.41	107.19	116.22	123.43
Finance Cost	11.13	3.16	3.16	3.16	3.16	3.16	3.16
Total Earnings (A)	**70.43**	**72.43**	**86.28**	**102.57**	**110.34**	**119.38**	**126.58**
Capital Employed							
Net Block	66.84	81.24	75.43	69.34	62.95	56.28	49.33
Non-current Assets	1.38	137.06	149.38	149.38	149.38	149.38	149.38
Current Assets (Incl. Cash)	296.13	314.88	378.27	466.89	562.11	664.91	773.98
Less: Current Liabilities (excl. Creditors & other Liabilities)	119.01	126.01	133.50	141.51	150.09	159.26	169.08
Total Obligations (B)	**245.33**	**407.17**	**469.58**	**544.09**	**624.35**	**711.31**	**803.61**
ROCE (A/B)	**28.71%**	**17.79%**	**18.37%**	**18.85%**	**17.67%**	**16.78%**	**15.75%**
Average ROCE	**17.40%**						

Source: D&B-India

As per D&B India's assessment, the ROCE of the Company works out to be 17.40%.

Break Even Analysis

(Values in INR Cr)

Particulars	Projected							
	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Revenue	915.50	1,006.88	1,077.36	1,172.89	1,277.82	1,373.46	1,471.09	1,572.38
Capacity Utilization		0%	0%	50%	80%	85%	95%	95%
Variable Cost								
Cost of Materials Consumed	742.78	799.99	855.98	915.93	980.06	1,048.66	1,122.07	1,200.61
Stores, Water and Consumables	39.58	45.04	48.19	57.11	64.05	68.47	73.71	78.13
Packaging Expenses	-	-	-	0.14	0.23	0.24	0.27	0.27
Power & Fuel Expenses	33.61	35.03	37.48	48.28	55.99	59.81	64.65	68.09
Manpower Expense	24.96	25.02	26.77	29.45	32.16	34.70	37.54	40.07
Other Manufacturing Expense & Insurance Expense	22.97	21.02	22.49	24.34	26.08	27.89	29.82	31.87
Change in Stock	-22.61	-7.76	-5.06	-16.84	-12.42	-7.35	-8.90	-7.10
Interest on Working Capital & unsecured Loan	7.61	6.85	0.70	0.70	0.70	0.70	0.70	0.70
Total Variable Cost	**848.90**	**925.17**	**986.55**	**1,059.10**	**1,146.84**	**1,233.12**	**1,319.86**	**1,412.64**
Contribution	**66.60**	**81.71**	**90.81**	**113.79**	**130.98**	**140.35**	**151.23**	**159.74**
Contribution Margin %	7.27%	8.12%	8.43%	9.70%	10.25%	10.22%	10.28%	10.16%
Fixed Costs								
Repairs & Maintenance	1.86	1.50	1.61	1.81	1.98	2.11	2.26	2.41
Administrative, Selling Expense	5.90	6.00	6.43	7.81	8.32	8.86	9.44	10.06
Depreciation	8.32	8.62	8.91	10.81	11.09	11.38	11.67	11.96
Interest on TL	4.40	1.82	-	-	-	-	-	-
Total Fixed Costs	**20.47**	**17.95**	**16.94**	**20.43**	**21.40**	**22.36**	**23.37**	**24.43**
Profit	**46.12**	**63.76**	**73.87**	**93.36**	**109.58**	**117.99**	**127.86**	**135.31**
Cash Fixed Cost	**12.16**	**9.33**	**8.03**	**9.62**	**10.30**	**10.98**	**11.70**	**12.47**
PV Ratio	**7.27%**	**8.12%**	**8.43%**	**9.70%**	**10.25%**	**10.22%**	**10.28%**	**10.16%**
Break Even								
Sales	281.44	221.20	201.01	210.56	208.73	218.82	227.33	240.47
Capacity %	0.00%	0.00%	0.00%	8.98%	13.07%	13.54%	14.68%	14.53%
Cash Break Even								
Sales	167.12	114.92	95.28	99.17	100.49	107.43	113.81	122.77
Capacity %	0.00%	0.00%	0.00%	4.23%	6.29%	6.65%	7.35%	7.42%
Margin of Safety								
Sales	748.38	891.96	982.08	1,073.73	1,177.32	1,266.04	1,357.28	1,449.60

Capacity %	0.00%	0.00%	0.00%	45.77%	73.71%	78.35%	87.65%	87.58%

Source: D&B-India

Risk Analysis and mitigation

The risk analysis, allocation and mitigation are shown in the following table.

Risk	Carrier	Mitigation Measure
Experience and capability	RSL	The promoters and management of the Company has been involved in manufacturing of metal products for collective experience of 5 decades and have ample experience and capability in the domain. At present, RSL is engaged in billets, forging ingots, rolled black bar, rolled bright bar, flat & patti and other ancillary products. The promoters of the Company are experienced in this industry and have been successfully operating the existing units at an average EBITDA of Nearly 4.5% for past 2-3 Years. They possess the necessary technical skills to establish and operate the proposed unit as well as market its final products (different variants of SS seamless pipes). Furthermore, they are supported by a capable and experienced management team that oversees day-to-day operations.
Time overrun	RSL	As informed by Company the land available at existing plant is sufficient for the proposed plant. The Company has provided general layout for the existing unit without specific dimensions, also the Layout for proposed facility is provided. Based on the visual inspection of site during visit the proposed land is considered to be adequate for proposed facility. The Company is in process of selecting the civil contractor and enter into agreement to firm up the civil cost and to avoid any cost escalation at a later stage. The Company has received budgetary quotations & estimates for the major equipment from Contractor. The Company has assigned M/s Industrial Furnace Consultant to establish the proposed mill. However overall installation & Commissioning of the project will be done by Company Internal team lead by Mr. Yash Mehta. As per the implementation schedule, the Company proposes to complete the project by March 2026 and the commercial operations is slated to begin from 1st April 2026. The Company has planned to implement the project in a period of 12 months from March 2025 (financial closure). The Company should be able to meet these timelines subject to timely entering into required contracts as well as continuous monitoring of delivery schedules of major machineries. D&B India recommends the Company to properly monitor and supervise the critical activities for timely completion of the project.
Cost overrun	RSL	Cost overrun could arise on account of three principal factors: a) escalation in the estimated capital cost, b) unforeseen additional capital cost and c) time over-run

Risk	Carrier	Mitigation Measure
		D&B India notes that the cost estimates are at preliminary stage and The Company has received budgetary quotations & estimates for the major equipment from Contractor. The Project cost envisaged has covered all the major heads, but still some modifications during implementation are expected. However, if the project gets delayed due to unforeseen circumstances, there is a chance of escalation and same may cause cost overrun. Here, 3.50% contingency provision (for Project hard cost, excluding land cost) has been considered in the Capex to mitigate part of the cost overrun. In case of any overrun above the same due to any unforeseen circumstances or substantial delay, the promoters to meet the cost over-run out of IPO Proceeds.
Statutory approvals	RSL	D&B India notes that RSL will start applying for various approvals post financial closure. The Company has assured D&B India, that all relevant approvals would be obtained in due course. The promoters and management of the Company has been involved in manufacturing of Stainless Steel for collective experience of 5 decades and have ample experience and capability in the domain, the Company has the understanding of the procedural aspects, which would help in obtaining relevant approvals.
Offtake risk / demand risk	RSL	Annual production of stainless steel increased from 55.25 Mn Tons in 2022 to 58.44 Mn Tons in 2023. The global steel pipe market is estimated to be $ 95 billion and is expected to grow by 4% CAGR over the next 3 years. Globally, the Oil & Gas sector is the largest consumer of steel pipes and tubes. Key drivers of thew steel include include the 'Make in India' campaign, PLI Schemes for specialty steel, and the Smart Cities Mission, which amplify demand in construction, automotive, and infrastructure sectors The global Seamless Stainless-Steel Pipes and Tubes market size was USD 4900 million or approximately 13,72,000 MT in 2023. The Indian steel pipe market is estimated to be INR 60,000-65,000 Crore and is 8-9% of the global steel pipe market. The Indian Seamless Stainless Steel Pipes and Tubes market size was USD 441 million or approximately 1,77,821 MT in 2023. Steel pipe and tube production has generally increased over the years, with significant jumps in 2019-20, 2022-23, and 2023-24. The Production nearly doubled from 43,59,510 MT in 2011-12 to 96,77,300 MT in 2023-24. Import volumes have fluctuated over the years, peaking at 8,83,164 MT in 2018-19. There was a notable decrease in imports during 2020-21, possibly due to the global pandemic, followed by a gradual increase in subsequent years.

Risk	Carrier	Mitigation Measure
		Export volumes have shown considerable variation. They peaked at 19,29,093 MT in 2012-13 and hit a low of 9,88,792 MT in 2020-21. There's been a recovery in exports since then, reaching 15,82,800 MT in 2023-24. Overall consumption has trended upward, more than doubling from 33,01,829 MT in 2011-12 to 87,90,586 MT in 2023-24. This suggests growing domestic demand for steel pipes and tubes. Seamless Pipes and Tubes (Alloy + SS) consistently represents 7% of the total consumption throughout the entire period. Seamless - Stainless Steel makes up approximately 35% of the Seamless (Alloy + SS) category across all years. The consumption of stainless-steel seamless pipes and tubes has grown from 80,626 MT in 2011-12 to 2,14,654 MT in 2023-24, aligning with the overall growth in consumption. India's strategic position under the China +1 strategy enhances its role as a global stainless steel supplier, driven by competitive costs and robust export infrastructure. Austenitic stainless steel dominates with 72.7% of market share in 2024, catering to diverse industrial needs. Companies like Jindal Stainless are securing raw material sources, such as nickel from Indonesia, reducing dependence on China. These factors position India to capitalize on shifting global supply chains while mitigating risks of raw material price volatility. The Company may opt to sell the intermediate product i.e. mother pipes/ tubes to various companies engaged in pilgering of mother tubes. This will widen the market for the company as it will increase it's product portfolio and hence customer base. This will further help in mitigating the offtake risk.
Raw material availability & prices	RSL	The Company proposes to procure the required quantity of raw materials i.e. (Rolled round Bars) from the existing facility. The prices of raw material are very volatile. However, the industry usually passes-on the changes in raw material prices to the customers. The Company might face short-term challenges in case raw material prices become highly volatile over a limited period.
Operational risk	RSL	The proposed site has good connectivity via roads and railways. However, since the site is landlocked, the Company relies on nearby ports, Pipavav, Dahej, Magdalla(near Surat) for both imports and exports. The Company has assigned M/s Industrial Furnace Consultant to establish the proposed mill. However overall installation & Commissioning of the project will be done by Company Internal team lead by Mr. Yash Mehta. The promoters propose to recruit experienced & well qualified personnel for day-to-day operation and management of the project. Skilled and unskilled labors will be

Risk	Carrier	Mitigation Measure
		available locally. The unit is not expected to face challenges in hiring skilled & unskilled manpower.
Government policies	RSL	The steel industry is a strictly regulated sector, as it is high carbon emitting in nature. The Company needs to follow all the guidelines stipulated by the Government of India. The Company must adhere to standard operating procedures (SOPs) and implement preventive measures to minimize environmental pollution.
Pricing level and sustainability	RSL	The steel industry is characterized by high volatility in the prices of inputs and finished products. Though the prices of the finished products tend to move in tandem with the input prices, there is an impact on the operating margins of the industry (in the short term). However, majority of the Company's products will be made to order and hence, the Company should follow the process of back-to-back booking of raw material thereby reducing the risk. Further, the Company should focus on more value-added products and applications, with better margins, thereby further mitigating the risk. The same has been captured in terms of sensitivity analysis, where it can be seen that even with a fall of 5% in price levels, the project IRR Remains above 10%.
Competition risk	RSL	The present market is dominated by 4 players with Ratnamani Metals & Tubes Limited having the highest market share & capacity. There is a large import substitution market available. The new capex will enable RSL to explore untapped opportunities in defense, aerospace, nuclear energy, and high diameter SS tubes/pipes in refineries and power plants. With a proposed large capacity of 9600 TPA with hot piercing facilities for stainless steel seamless tubes/pipes, the Focus on quality product, timely delivery and catering to niche markets are the ways to mitigate the risk.
Forex fluctuation	RSL	The Company is planning to import major plant and machinery through EPC contractpr which exposes it to foreign exchange fluctuation risk. It should take adequate forward cover to mitigate the same.
Force majeure	RSL/Insurer	The company may be advised to take adequate insurance cover for insurable force majeure risks from time to time.

SWOT Analysis

Strength
• The promoters of the Company have the necessary resources, experience and expertise to execute such a project. • The site enjoys an advantage of being well located through roads and rail network. • The primary raw material, Rolled Round Bars, for the project will be sourced from RSL's existing facility located within the same periphery reducing the transport cost which enables positive impact on margins. This also ensures steady supply of raw materials. • The project proposes to manufacture mother hollow pipes in-house, creating strong competitive advantage. Most of the players import mother hollow pipes.
Weakness
• Due to the volatility in raw material prices, the profitability of the Company, in absolute terms, is vulnerable. • Any new player entering this industry will have to invest considerable time and capital to develop products, that meet the customer standards. • Demand for steel tubes and pipes depends on end-user industries engineering, aerospace, forging, oil and gas, pump and shaft, defense automotive, aviation, precision engineering, etc. Any slowdown in these segments could weaken demand for the products, thereby affecting the Company's operating performance. Company should focus on diversified products and non-dependence on a single end-user industry.
Opportunity
• With higher diameter, different lengths, such as ferritic, super duplex & nickel alloy grades, opens a host of opportunities in sectors such as engineering, aerospace, forging, oil and gas, pump and shaft, defense automotive, aviation, precision engineering, etc.
Threats
• The business is cyclical in nature as it entirely depends on the investment momentum in the underlying sectors • Even though, presently there is good potential in the domestic market, there could be increased competition in case global players decide to invest in state-of-the-art facilities in India and existing players decide to expand • The project may also be affected by the general threat of economic slowdown. • Change in government and other regulatory bodies' policies may impact the industry.

Conclusion

Rajputana Stainless Limited proposes to set up a new unit for manufacturing of Stainless Steel (SS) seamless pipes plant at Panchmahal in Gujrat. The Company already has a plant located in Gujarat where it manufactures billets, forging ingots, rolled black bar, rolled bright bar, flat & patti and other ancillary product. They aim to begin commercial operations on April 1, 2026 (1st quarter of FY2027) following 12 months of construction after financial closure in March 2025. Stainless steel seamless pipes are manufactured through a process involving hot extrusion or piercing of solid bars followed by elongation and rolling to achieve the desired dimensions and properties.

Technical Assessment Summary

- The Company proposes to manufacture the SS Seamless pipes facility at the proposed location. The Company intends to start commercial operation from April 1, 2026 (1st quarter of FY2027) considering 12 months of construction post financial closure during March 2025. Stainless steel seamless pipes are manufactured through a process involving hot extrusion or piercing of solid rolled round bars followed by elongation and rolling to achieve the desired dimensions and properties.
- The project location is considered to be appropriate for the proposed plant.
- The proposed technology, manufacturing process and machinery is found to be in line with latest industry trend and as per the proposed product profile.
- The proposed manpower for the project is considered to be sufficient to manage the operations of the plant, post commissioning with the consideration of integrating the existing plant with the new unit.
- As the project is at its initial stage, the Company is in process of obtaining new approval to include the proposed portfolio.
- The overall project cost (excluding margin money, interest during construction period and land cost) is found to be reasonable and in-line with the proposed plan of the Company, as well as industry norms.

Subject to the above assessment & considering all these critical aspects, **D&B-India is considers that the project is technically feasible**.

Critical Success Factors

Capacity Utilization and Sales

The proposed manufacturing unit of the Company is planned to operate at specific capacity utilization level, in order to achieve the projected production and subsequently the sales value for the respective operational year (between FY 27 and FY 31). Any significant deviation from the planned capacity utilization and sales over the projected year, will affect the overall operations of the plant and subsequently the financials including debt-servicing ability of the Company.

Implementation Schedule

The COD for the Project is estimated to be 1st April 2026. It is important for the Company to closely monitor the implementation schedule for the Project (as per the implementation schedule section of this report), in order to avoid any lapses, in achieving the Project activity wise milestones. In the event of Project activity timeline breach, a resultant direct impact on COD would affect the production volume and subsequently financials of the Company, particularly in its first year of operation.

Statutory and Regulatory Approvals

The Company needs to amend the above approvals to include new product portfolio as a part of production facility. The Company has proposed to acquire all the necessary approvals at appropriate time, for smooth progress of the Project (as detailed under Statutory Approval section of this report). Delay in acquiring one or more of these statutory and regulatory approvals will influence the progress of the Project timeline, Project cost and subsequently yield stress on the financial ratios of the Project.

Economic Viability

The proposed Project can generate a revenue ~INR 321.12 Cr (FY31) in the stabilized years. Corresponding EBITDA is ~INR 24.46 Cr. The EBITDA margin estimated to be ~7.62%. As per industry standards this is acceptable.

Subject to the above assessment, risk and SWOT analysis, achievement of the critical success factors and the impact of various scenarios as envisaged under sensitivity analysis study, **the operations of the entity can be viewed as economically viable.**

Mr. Anurag Barot Senior Strategic Sales Leader	
Mr. Kallol Debnath Associate Director Operations	

Annexure

Per unit costing of operating expenses are as below:

Particulars	Units	FY27	FY28	FY29	FY30	FY31
Annual Sales Quantity	**MTPA**	**4,453**	**7,472**	**8,125**	**9,051**	**9,120**
Operating Expenses						
Cost of Materials Consumed	INR/MT	307,101	292,853	286,137	287,104	284,922
Stores, Water and Consumables	INR/MT	12,460	11,882	11,609	11,649	11,560
Packaging Expenses	INR/MT	323	308	301	302	300
Power & Fuel Expenses	INR/MT	18,350	17,499	17,098	17,155	17,025
Manpower Expense	INR/MT	1,798	2,016	2,347	2,701	2,761
Repair and Maintenance Charges	INR/MT	206	189	179	166	170
Other Manufacturing Expense & Insurance Expense	INR/MT	625	452	416	381	363
Sub-total	**INR/MT**	**340,864**	**325,200**	**318,088**	**319,459**	**317,100**
Add: Opening WIP	INR/MT	-	2,681	3,945	3,765	4,178
Add: Opening FG	INR/MT	-	12,614	18,282	17,463	19,380
Less: Closing WIP	INR/MT	4,498	4,290	4,194	4,210	4,179
Less: Closing FG	INR/MT	21,165	19,881	19,452	19,528	19,389
Cost of Production	**INR/MT**	**315,201**	**316,324**	**316,670**	**316,949**	**317,090**
Admin Expenses	INR/MT	2,102	1,290	1,222	1,130	1,155
Selling Expenses	INR/MT	12,327	7,043	7,042	7,042	7,042
Total Operating Expenses	**INR/MT**	**329,631**	**324,657**	**324,934**	**325,122**	**325,288**

Limiting Conditions

The revenue and cost estimates for the proposed project are given on the basis of assumptions and not on the basis of actual calculations. The revenue and costs considered are based on the data provided by company and validated from findings from primary survey and secondary research, as detailed in the methodology section. There may be changes in the revenue and cost estimates depending on the market conditions. The revenue and costs are comparable with the industry benchmarks.

- The Company is process of preparation of Area Statement for the proposed expansion and also on consolidated Area Level.

Basis: D&B-India's assumptions are based on the information obtained from owners, prevailing rules and regulations of statutory authorities, prevailing site conditions on the date of inspection and best judgment of the undersigned.

Source of information: D&B-India presumes that complete and correct information is provided to it by the owners. In case, if the information given to D&B-India is incomplete or incorrect, D&B-India shall assume no liability or responsibility for the same, and D&B-India may modify the report to that extent if so required.

Documentation: D&B-India does not normally read leases or documents of title. D&B-India assumes, unless informed to the contrary, that each structure has good and marketable title, that all documentation are satisfactorily drawn and that there are no encumbrances, restrictions, easements or other outgoing of an onerous nature which would have a material effect on the value of interest under consideration, nor material litigation pending. Where D&B-India has been provided with documentation, D&B-India recommends that reliance should not be placed on its interpretation without verification by legal advisors.

Town planning and other statutory regulations: D&B-India recommends that verification be obtained from legal advisors to the effect that:

i. The position is correctly stated in the report:
ii. The property is not adversely affected by any other decision made, or conditions prescribed by public authorities.
iii. There are no outstanding statutory notices.

D&B-India's reports are prepared on the basis that the Owners comply with all relevant statutory regulations, including enactment relating to fire regulations, safety and environmental considerations and stipulation of respective statutory provisions.

Physical surveys: D&B-India has not carried out Physical Survey and leveling exercise of the Structures and advice Owners to carry out actual Physical Survey of the site along with levels if desired. This report is based on documents forwarded to D&B-India by Owners, Government Records made available to D&B-India and on D&B-India's cursory inspection of site.

Structural surveys: D&B-India has not carried out a structural survey, nor has D&B-India tested the services of the Owners and D&B-India therefore does not give any assurance that any Structure or the immoveable assets are free from defects. In D&B-India's general observations, the Structures are erected normally and appear to have been maintained properly. However, no guarantee or opinion can be inferred about the conditions of Structure and Machinery about safe working of the same.

Deleterious materials: D&B-India does not normally carry out investigations on site to ascertain whether any Structure was constructed or altered using deleterious materials or techniques (including, by way of example high alumina cement concrete, wood wool as permanent shuttering, calcium chloride or asbestos). Unless D&B-India was otherwise informed, our report is on the basis that no such materials or techniques have been used.

Site conditions: D&B-India has not carried out investigations on site in order to determine the suitability of ground conditions and services for the purposes for which they are, or are intended to be put, to use, nor does D&B-India undertake archaeological, ecological or environmental surveys. Unless D&B-India is otherwise informed, D&B-India's report is on the basis that these aspects are satisfactory and that, where development is contemplated, no extraordinary expenses or delays will be incurred during the construction period due to these or any other matters related to site.

Environmental Contamination: D&B-India has not carried out physical site surveys or environmental assessments, or investigated historical records, to establish whether any land or premises are, or have been, contaminated. Therefore, unless advised to the contrary, D&B-India's report is carried out on the basis that properties are not affected by environmental contamination.

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