

ABOUT THE COMPANY: The Company is engaged in the manufacturing of long and flat stainless-steel products under the brand “RSL,” offering over 80 grades including billets, forging ingots, rolled black and bright bars, flats and pattis. It operates primarily on a B2B model, catering to manufacturers and traders across industries such as seamless pipes, forging, engineering, auto, fasteners and utensils, demonstrating strong product versatility and industrial reach.

KEY BUSINESS INSIGHTS:

Rajputana Stainless Limited, incorporated in 1991, manufactures long and flat stainless-steel products such as billets, forging ingots, rolled black & bright bars, and flats & pattis across 80+ grades, catering to sectors including oil & gas, aerospace, automotive, and engineering. The company operates a 35,196.98 sq. m. facility in Kalol, Gujarat and derives almost all its revenue from the domestic market (₹501.25 cr or 99.94% in H1 FY26), with limited exports to select countries.

Financially, between FY23 and FY25, revenue remained largely stable (CAGR - 0.70%), while EBITDA and PAT grew at 26.27% and 28.75%, reflecting improved efficiency. The moderation in revenue was mainly due to a sharp correction in nickel prices driven by higher supply from China and Indonesia. The company also faces litigation exposure of ₹128.62 cr (~72.81% of net worth), which may pose financial and reputational risks if adverse outcomes arise.

OUR VIEW:

The Company manufactures long and flat stainless-steel products under the “RSL” brand, offering 80+ grades including billets, forging ingots, rolled black & bright bars, flats and pattis, and operates on a B2B model serving industries such as seamless pipes, forging, engineering, automotive, fasteners and utensils. Financially, between FY23 and FY25, revenue declined at a CAGR of -0.70%, while EBITDA and PAT grew at 26.27% and 28.75%, respectively, reflecting improved operational efficiency. The revenue moderation was mainly due to a sharp correction in nickel prices driven by higher supply from China and Indonesia, which impacted global stainless-steel prices and the Company’s pricing power. Despite this, the Company maintained a positive CFI-PAT ratio (1.0x in FY23, 0.9x in FY24 and 0.8x in FY25), indicating healthy cash conversion. At a P/E of ~21x, the issue is priced at a discount to the listed peer average of ~57x. Despite risks such as promoter litigations and revenue/supply concentration, the attractive valuation supports a “SUBSCRIBE” rating.



ISSUE DETAILS	
Price Band (in ₹ per share)	116-122
Issue size (in ₹ Crore)	255.00
Fresh Issue (in ₹ Crore)	179
Offer for Sale (in ₹ Crore)	76.00
Issue Open Date	09.03.2026
Issue Close Date	11.03.2026
Tentative Date of Allotment	12.03.2026
Tentative Date of Listing	16.03.2026
Total Number of Shares (in lakhs)	209
Face Value (in ₹)	10.00
Exchanges to be Listed on	NSE & BSE

APPLICATION	LOTS	SHARES	AMOUNT (₹)
Retail (Min)	1	110	13,420
Retail (Max)	14	1540	1,87,880
S-HNI (Min)	15	1650	2,01,300
S-HNI (Max)	74	8140	9,93,080
B-HNI (Min)	75	8250	10,06,500

BRLMs: Nirbhay Capital Services Private Limited.

PROMOTERS: SHANKARLAL DEEPCHAND MEHTA, BABULAL D MEHTA, JAYESH NATVARLAL PITHVA AND YASHKUMAR SHANKARLAL MEHTA

BRIEF FINANCIALS

PARTICULARS (Rs. Cr)*	H1FY26	FY25	FY24	FY23
Share Capital***	68.92	68.92	34.46	34.46
Net Worth	176.65	151.95	112.27	81.17
Revenue from Operations	502.77	932.16	909.81	947.67
EBITDA	45.92	73.79	59.41	43.85
EBITDA Margin (%)	9.16%	7.92%	6.53%	4.63%
Profit/(Loss) After Tax	24.41	39.85	31.63	24.04
EPS (in Rs.)	3.54	5.78	4.59	3.49
Net Asset Value (in Rs.)	25.63	22.05	16.29	11.78
Total borrowings	85.91	99.75	79.76	79.83
P/E [#]	34.46	21.11	NA	NA
P/B [#]	4.76	5.53	NA	NA

* Restated consolidated financials; #Calculated at upper price band *** 1:1 bonus issue as on 06 November,2024.

OBJECTS OF THE OFFER

The Company proposes to utilize the net proceeds towards funding the following objects:

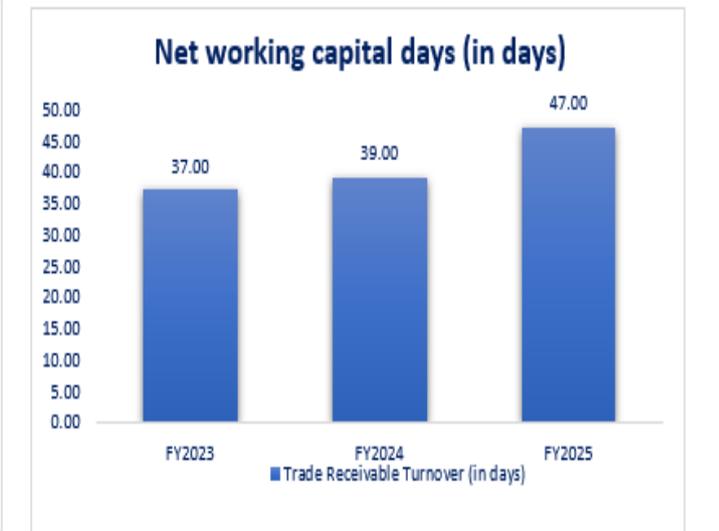
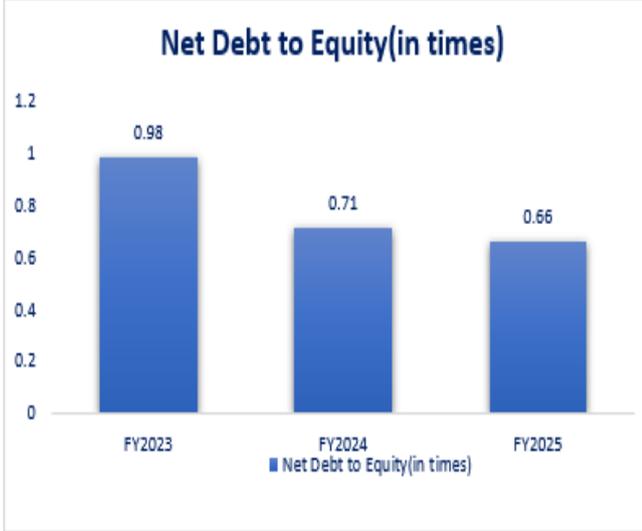
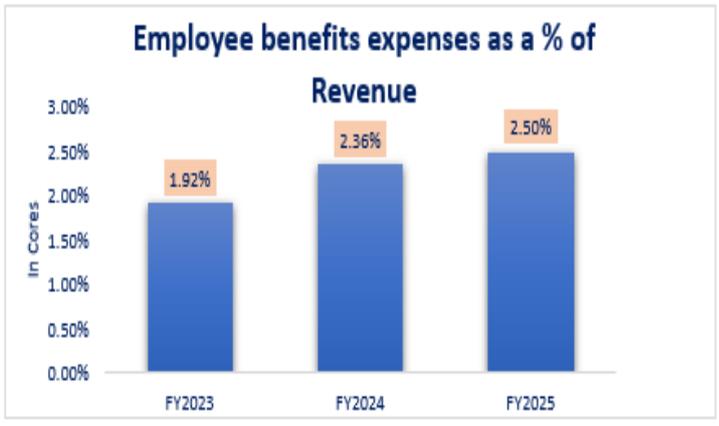
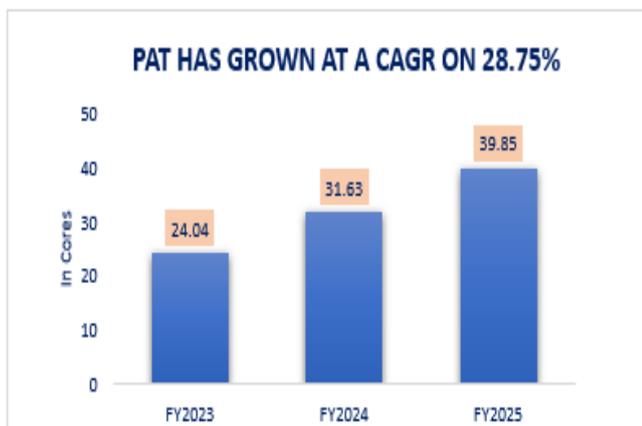
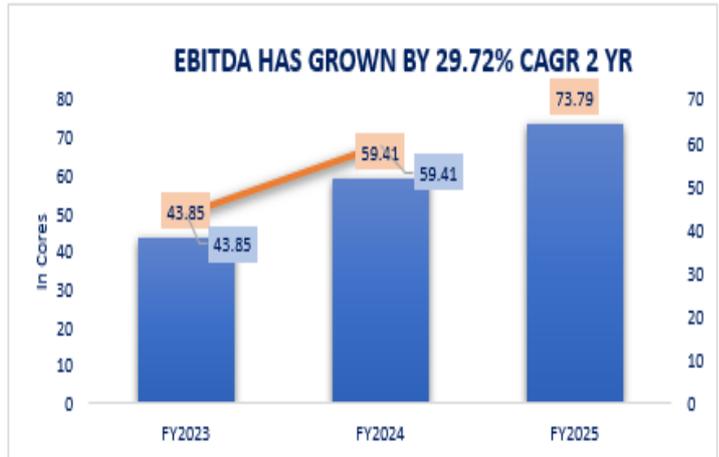
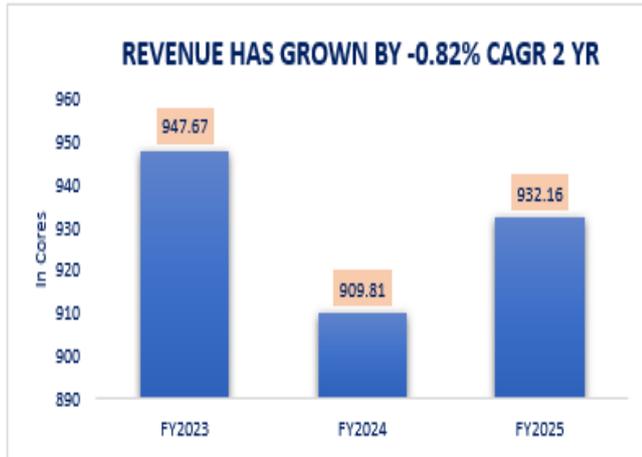
- To carry out the Offer for Sale.
- Funding capital expenditure for expanding the existing manufacturing facility in Panchmahal, Gujarat, through forward integration and diversification into steel seamless stainless pipes.
- Full or partial repayment and/or prepayment of certain outstanding borrowings availed by the Company.
- General corporate purposes.

FINANCIAL STATEMENTS

Profit & Loss Statement				Balance Sheet			
Particulars (In Crores)	FY2023	FY2024	FY2025	Particulars (In Crores)	FY202	FY2024	FY2025
INCOME				I. ASSETS			
Revenue from operations	947.67	909.81	932.16	(1) Non-current assets			
Other Income	3.02	5.69	5.33	(a) Property, Plant and Equipment	52.59	70.39	67.71
Total Income	950.69	915.5	937.49	(b) Intangible assets	0.14	0.07	0.07
YoY Growth (%)	23.81%*	-0.037	0.024	(c) Capital Work In Progress	15.48	0.03	2.24
EXPENSES				(d) Right of Use Asset	0	0	1.77
Employee benefits expenses	18.17	21.45	23.28	(e) Financial assets (Others)	4.94	0.19	0.2
Employee benefits expenses as % of Revenue	1.92%	2.36%	2.50%	(f) Other non-current assets	1.03	1.19	1.01
Cost of materials consumed	748.55	742.78	684.83	Total Non-current assets (A)	74.18	71.86	73
Changes in inventories of finished goods	30.41	-22.61	-9.34	(2) Current assets			
Other Expenses	106.7	108.78	100.11	(a) Inventories	88.05	104.2	132.52
EBIDTA (Calculated)	43.85	59.41	73.79	(b) Financial assets:			
EBIDTA Margin (%)	4.63%	6.53%	7.92%	(i) Investments	1.06	0.19	2.7
Depreciation and amortisation expense	6.91	8.32	8.76	(ii) Derivative assets	0	0	0.02
EBIT	39.95	56.79	70.36	(iii) Trade receivables	106.7	89.5	150.22
EBIT Margin (%)	0.0422	0.0624	0.0755	(iv) Cash and cash equivalents	0.05	0.04	0.03
Finance cost	11.37	14.47	15.72	(v) Other Bank balances	7.12	9.34	11.16
Profit Before Tax For the Year	28.58	42.32	54.64	(c) Other current assets	20.2	48.89	50.72
Tax expenses				Total Current assets (B)	223.2	252.2	347.36
Current tax	8.27	10.56	14.52	Total Assets (C = A + B)	297.3	324	420.36
Tax pertaining to earlier period/years				II. EQUITY AND LIABILITIES			
Deferred Tax	-3.74	0.14	0.27	(1) Equity			
Total tax expenses	4.53	10.69	14.79	(a) Equity Share capital	34.46	34.46	68.92
Restated other comprehensive income	0.03	-0.55	-0.17	(b) Other Equity	46.71	77.81	83.03
Profit for the year	24.04	31.63	39.85	Total Equity (D)	81.17	112.3	151.95
PAT Margin (%)	2.54%	3.48%	4.28%	(2) Non-current liabilities			
Earnings per share				(a) Financial liabilities:			
Basic earnings per share (₹)**	3.49	4.59	5.78	(i) Long Term Borrowings	24.81	19.38	17.64
				(ii) Lease liabilities	0	0	1.77
				(iii) Other Financial Liabilities	11.35	0.08	0.1
				(b) Deferred Tax Liability (net)	7.01	6.96	7.17
				(c) Provisions	1.81	2.59	3.1
				Total Non-current liabilities (E)	44.98	29	29.78
				(3) Current liabilities			
				(a) Financial liabilities:			
				(i) Short Term Borrowings	55.01	60.38	82.11
				(ii) Trade payables	97.54	103.4	131.81
				(b) Provisions	9.53	12.17	15.87
				(c) Other current liabilities	9.11	6.84	8.84
				Total Current liabilities (F)	171.2	182.7	238.63
				Total Equity and Liabilities (D+E+F)	297.3	324	420.36

Cash Flows			
Particulars (In Crores)	FY2023	FY2024	FY2025
Net cash flow from/(used in) operating activities	25.1	31.49	7.08
Net cash flow from/(used in) investing activities	-13.1	-6.48	-11.99
Net cash flow from/(used in) financing activities	-11.97	-25.03	4.89
Net increase/(decrease) in cash and cash equivalents	0.03	-0.01	-0.01
Cash and cash equivalents at the beginning of the year	0.02	0.05	0.04
Cash and cash equivalents at the end of the year	0.05	0.04	0.03

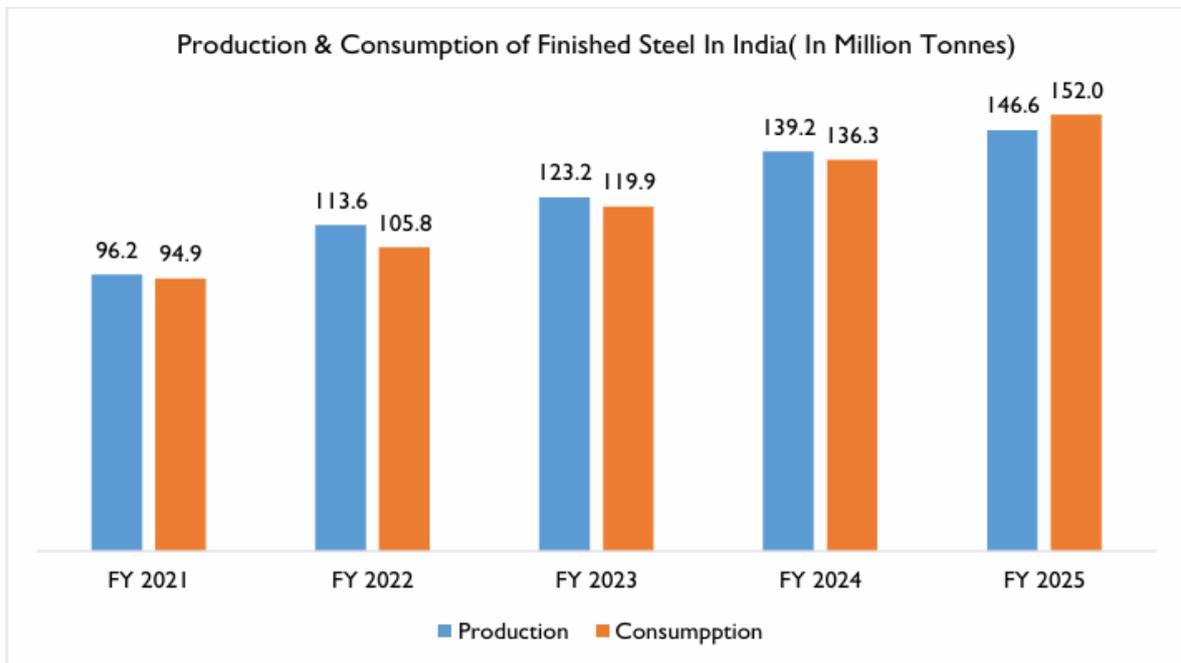
PERFORMANCE THROUGH CHARTS



INDUSTRY REVIEW

OVERVIEW OF THE INDUSTRY IN INDIA

- India is the second-largest consumer and third-largest producer of stainless steel, with an installed capacity of ~6.6–6.8 million tons. The country produces a wide range of steel grades and specialty products, while demand for long and flat stainless-steel products remains closely linked to overall industrial activity and economic growth.
- The construction sector is a major demand driver and is projected to reach USD 1.5 trillion by 2025, contributing 8–10% to GDP. Government initiatives such as the National Infrastructure Pipeline (NIP) and PM Gati Shakti are expected to boost steel consumption, while achieving the targeted 300 million metric tons steel capacity by 2030 may require investments of around ₹10 lakh crore.
- The steel kitchenware market, valued at approximately ₹15,000 crore, is expanding at 10–15% annually, driven by rising consumer preference for premium, durable, and safer kitchen products. Within this, the premium cookware segment accounts for nearly ₹3,500 crore and continues to attract growing industry investment.
- Government support for the steel sector remains strong, with the Ministry of Steel allocated ₹3,362 crore for FY2025-26. Key initiatives such as the PLI Scheme for specialty steel, the DMI&SP Policy, and customs duty exemptions on ferrous scrap until March 2026 aim to strengthen domestic manufacturing and enhance global competitiveness.
- India's stainless-steel trade dynamics have remained volatile, with exports at ₹26.12 crore in FY2023 and imports rising to ₹37.00 crore in FY2024. The industry continues to face pricing pressure from low-cost imports, particularly from China and Indonesia, which can impact domestic producers and capacity utilization.



Sources: Ministry of Steel

COMPETITIVE STRENGTHS OF THE COMPANY

Integrated Manufacturing Facility and Strategic Location

- The company operates an integrated manufacturing facility spread across ~35,196.98 sq. m. at Halol–Kalol Road, Gujarat, with ~17,610 sq. m. vacant land available for future expansion and equipped with key infrastructure for end-to-end stainless-steel production.
- The facility has installed capacities of 48,000 MT melting, 36,000 MT rolling, 6,000 MT bright bar, and 2,000 MT heat treatment, along with 350 CuM/hr oxygen and 200 CuM/hr nitrogen plants, with key operations recording ~99–100% utilization in recent fiscals.
- In FY25, the company produced 46,679.19 MT billets, 31,768.27 MT rolled black bars, 1,655.55 MT rolled bright bars, and 3,696.60 MT flat & patti, while also planning forward integration into stainless-steel seamless pipes to support future growth.

Diverse Product Portfolio

- The company offers a diverse stainless-steel product portfolio including billets, forging ingots, rolled black bars, rolled bright bars, flat & patti, wire rods and ancillary products, available in 80+ stainless-steel grades and multiple sizes catering to varied industrial applications.
- The broad product mix enables the company to serve diverse industries and adapt to changing customer requirements, while also reducing dependency on any single product and strengthening revenue diversification.
- Rolled Black Bars remain the largest revenue contributor, generating ₹550.47 cr in FY25 (~59.05%), followed by Rolled Bright Bars ₹124.79 cr, Billets ₹146.88 cr, Flat & Patti ₹41.51 cr, and Forging Ingots ₹21.24 cr, reflecting a well-balanced product revenue mix.

Established Customer Base and Track Record of Growth

- With over two decades of experience, the company has built a strong domestic customer base through a customer-centric approach and customized stainless-steel products. Exports contributed ₹0.28 cr in H1 FY26 and ₹15.28 cr in FY25, forming a small share of total revenue.
- The company maintains long-term relationships with key customers, with the top 10 customers contributing ~41–45% of revenue across recent periods, supporting revenue visibility and industry credibility.
- The company has delivered consistent financial growth, with revenue rising from ₹36.04 cr in FY06 to ₹932.16 cr in FY25 (CAGR ~18.67%) and PAT increasing from ₹0.71 cr to ₹39.85 cr, reflecting improving profitability and financial strength.

RISK FACTORS

High Dependence on Top 10 Customers Without Long-Term Contracts

- The company derives a significant portion of its revenue from a limited number of customers, with the top 10 customers contributing ₹225.36 cr (44.93%) in H1 FY26 and ₹388.57 cr (41.69%) in FY25. The top customer alone accounted for ₹55.64 cr (11.09%) in H1 FY26 and ₹76.94 cr (8.25%) in FY25, indicating a high level of customer concentration.
- Most sales are executed through purchase orders rather than long-term contracts, which creates uncertainty regarding future order volumes and pricing terms. Any reduction in demand, shift to competitors, pricing pressure, or order cancellations by these key customers could adversely impact the company's revenue visibility, cash flows, and profitability.
- Despite this concentration risk, the company has maintained strong repeat customer relationships, with 193 repeat customers (72.55%) generating ₹444.51 cr (88.63%) of revenue in H1 FY26, while order cancellations have remained relatively low at ~1.7% across recent periods.

Significant Ongoing Litigations May Impact Financial Performance

- The company, along with its Promoters, Directors, KMPs and SMPs, is involved in certain ongoing legal proceedings before various courts and regulatory forums. The total litigation exposure amounts to ₹128.62 cr, representing ~72.81% of the company's net worth, which could create financial and operational risks if adverse rulings arise.
- Major cases include 3 civil litigations against the company amounting to ₹83.82 cr, 18 direct and indirect tax cases totaling ₹44.55 cr, and civil litigations against promoters worth ₹3.25 cr, along with a few smaller cases filed by the company. Although no criminal proceedings have been reported against the company or its directors, these matters remain pending at different stages.
- Any adverse judgement, penalties, or regulatory action could require significant payments or provisions and may increase expenses and liabilities. Additionally, prolonged litigation may lead to reputational damage, loss of business opportunities, and operational disruptions, potentially impacting the company's financial performance.

Geographic Concentration of Sales in Key Domestic Markets

- The company relies significantly on its top 10 suppliers for key raw materials such as stainless-steel scrap, mild steel scrap, ferro alloys and industrial gases. During H1 FY26, the top 10 suppliers accounted for ₹144.59 cr (40.14%) of total material cost, while purchases stood at ₹390.84 cr, representing 77.93% of revenue, indicating high dependence on supplier availability and pricing.
- A portion of raw materials is also imported from countries such as UAE, Malaysia, South Korea, Hong Kong, USA and Singapore, exposing the company to foreign exchange fluctuations, import duties and global supply disruptions. Imports accounted for ₹176.88 cr (39.00%) of purchases in H1 FY26, which may impact margins if input costs rise and cannot be passed on to customers.
- The company derives nearly all of its revenue from the domestic market, with 99.94% of revenue generated in India in H1 FY26. A significant share comes from Maharashtra, Gujarat and Uttar Pradesh, contributing ₹456.85 cr (91.09%) of revenue, making the business vulnerable to regional economic, political, or regulatory changes in these key markets.

PEER COMPARISON

Name of the company	Revenue from Operations (in ₹ Cr)	Face Value (Rs per share)	EPS (in Rs)	NAV (Per share Rs)	RoE (%)	P/E*	P/B*
Rajputana Stainless Ltd	932.16	10.00	5.78	22.05	26.23	21.11	5.53
Mangalam Worldwide Ltd	1060.71	10.00	10.59	91.37	11.28	24.46	2.84
Mukand Ltd	4889.99	10.00	5.24	65.72	7.99	23.48	1.87
Electrotherm Ltd	4115.37	10.00	347.06	-124.60	-278.47	1.91	-5.31
Panchmahal Steel Ltd	383.10	10.00	1.74	84.02	2.07	178.48	3.70



Canara Bank Securities Ltd.
(A Wholly Owned Subsidiary of Canara Bank)



Research Desk

Canara Bank Securities Ltd

SEBI: RESEARCH ANALYST REGISTRATION: INH000001253

BSE: INB 011280238, BSE F&O: INF 011280238

NSE: INB 23180232, F&O: INF 231280232, CDS: 231280232

Maker Chambers III, 7th floor,

Nariman Point, Mumbai 400021

Contact No. : 022 - 43603861/62/63

Email id: researchdesk@canmoney.in

Analyst Certification

We/I, Sankita V, MBA, Mcom Research Analysts, Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer (s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation (s) or view (s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Disclosures and Disclaimers

CANARA BANK SECURITIES LTD (CBSL), a wholly owned subsidiary of CANARA BANK, is a SEBI registered intermediary offering broking services to its institutional and retail clients; we also run a proprietary trading desk. CBSL is member of BSE & NSE. We are registered as RESEARCH ANALYST under SEBI (INH000001253). CBSL or its associates do not have an investment banking business. Hence, they do not manage or co manage any public issue. Neither CBSL nor its associates, neither the research analysts nor their associates nor his/her relatives (i) have any financial interest in the company which is the subject matter of this research report (ii) holds ownership of one percent or more in the securities of subject company (iii) have any material conflict of interest at the end of the month immediately preceding the date of publication of the research report OR date of the public appearance (iv) have received any compensation from the subject company in the past twelve months (v) have received any compensation for investment banking merchant banking or brokerage services from the subject company in the past twelve months (vi) have received any compensation for any other product or services from the subject company in the past twelve months (vii) have received any compensation or other benefits from the subject company or third party in connection with the research report. (viii) Research Analyst involved in the preparation of Research report discloses that he /she has not served as an officer, director, or employee of subject company (ix) is involved in market making activity of the company.

We shall adhere to SEBI guidelines from time to time.

We may have earlier issued or may issue in future reports on the companies covered herein with recommendations/ information inconsistent or different those made in this report. We may rely on information barriers, such as "Chinese Walls" to control the flow of information contained in one or more areas within us, or other areas, units, groups or affiliates of CBSL. The Research Desk does not solicit any action based on the material contained herein. It is for the general information of the clients / prospective clients of CBSL. CBSL will not treat recipients as clients by virtue of their receiving the research report. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of clients / prospective clients. Similarly, the Research Desk does not have regard to the specific investment objectives, financial situation/circumstances and the particular needs of any specific person who may receive it. The securities discussed in the report may not be suitable for all investors. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. Persons who may receive the research report should consider and independently evaluate whether it is suitable for his/ her/their particular circumstances and, if necessary, seek professional/financial advice. And such person shall be responsible for conducting his/her/their own investigation and analysis of the information contained or referred to in the research report and of evaluating the merits and risks involved in the securities forming the subject matter of the reports. All projections and forecasts in research reports have been prepared by our research team.

The client should not regard the inclusion of the projections and forecasts described herein as a representation or warranty by CBSL For these reasons; The client should only consider the projections and forecasts described in the research reports after carefully evaluating all of the information in the report, including the assumptions underlying such projections and forecasts. Past performance is not a guide for future performance. Future returns are not guaranteed and a loss of original capital may occur. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. We do not provide tax advice to our clients, and all investors are strongly advised to consult regarding any potential investment. CBSL or its research team involved in the preparation of the research reports, accept no liabilities for any loss or damage of any kind arising out of the use of these reports. The technical levels and trend etc mentioned in our reports are purely based on some technical charts/levels plotted by software used by us and these charts/levels are believed to be reliable. No representation or warranty, express or implied is made that it is accurate or complete. The recommendation expressed in the reports may be subject to change. The recommendations or information contained herein do/does not constitute or purport to constitute investment advice in publicly accessible media and should not be reproduced, transmitted or published by the recipient. This research reports are for the use and consumption of the recipient only. This publication may not be distributed to the public used by the public media without the express written consent of CBSL. The Research reports or any portion hereof may not be printed, sold or distributed without the written consent of CBSL. The research report is strictly confidential and is being furnished to client solely for client's information, may not be distributed to the press or other media and may not be reproduced or redistributed to any other person. The opinions and projections expressed herein are entirely based on certain assumptions & calculations and are given as part of the normal research activity of CBSL and are given as of this date and may be subject to change. Any opinion estimate or projection herein constitutes a view as of the date of this report and there can be no assurance that future results or events will be consistent with any such opinions, estimate or projection. The report has not been prepared by or in conjunction with or on behalf of or at the instigation of, or by arrangement with the company or any of its directors or any other person. Any opinions and projections contained herein are entirely based on certain assumptions and calculations. None of the directors of the company or any other persons in the research team accepts any liability whatsoever for any loss arising from any use of the research report or its contents or otherwise arising in connection therewith. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that the client has read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India (SEBI) before investing in Securities Market. Please remember that investment in stock market is subject to market risk and investors/traders need to do study before taking any position in the market.