

Company Business

Sambhv Steel Tubes Limited is primarily engaged in the **manufacturing of electric resistance welded ("ERW") steel pipes and structural tubes (hollow section)** in India. The company is identified as one of the key manufacturers in this sector in India, based on installed capacity as of March 31, 2024, according to the CRISIL Report.

The company also manufactures ERW steel pipes and tubes (including hollow section pipes and tubes) using **narrow-width HR coil**, and is one of only two players in India doing so as of December 31, 2024.

In addition to ERW steel pipes and structural tubes, Sambhv Steel Tubes Limited's diverse range of steel products and related activities include:

- **Sponge Iron** • **Blooms/Slabs** (Mild Steel and Stainless Steel) • **GI Pipes**
- **HR Coils** (Mild Steel and Stainless Steel) • **CRFH Pipes** • **GP Coils**
- **Pre-Galvanized (GP) Pipes** • **Single/double door frames** • **Captive power generation**
- **SS HRAP Coils and SS CR Coils** (Stainless Steel Hot Rolled Annealed and Pickled Coils and Stainless Steel Cold Rolled Coils)

The company's operations involve manufacturing intermediate products for finished and value-added products. As of March 31, 2025, Sambhv Steel Tubes Limited has two operational manufacturing facilities located in Sarora (Tilda) and Kuthrel, both in Raipur, Chhattisgarh. They are also planning to commission a greenfield facility in Village Kesda, District Baloda Bazar Bhatapara, Chhattisgarh.

Short Summary of the Industry

Sambhv Steel Tubes Limited primarily operates within the **steel industry**, specifically focusing on the **manufacturing of steel pipes and structural tubes**. Here's a short summary of the industry in which the company operates:

- ✦ **Core Industry** : Sambhv Steel Tubes Ltd is a leading Indian manufacturer of ERW steel pipes and structural tubes, based on installed capacity (as of March 31, 2024). As of December 31, 2024, it is one of only two Indian companies producing ERW pipes using narrow-width HR coils.
- ✦ **Broader Product Range** : In addition to ERW pipes, Sambhv Steel manufactures sponge iron, MS/SS blooms and slabs, HR and GP coils, GI, CRFH, and pre-galvanized pipes, SS HRAP and CR coils, and also operates captive power generation.
- ✦ **Market Position** : As of FY24, Sambhv Steel held a 2% market share in India's ERW pipe segment by sales volume.
- ✦ **Industry Growth & Demand Drivers** : India's steel pipe and tube demand is projected to grow at a 5–6% CAGR (FY19–25) and 8–9% CAGR (FY25–29), driven by government focus on urban infrastructure, irrigation, and oil & gas investments.
- ✦ **Competitive Landscape** : Sambhv Steel competes with players like APL Apollo, Hariom Pipes, and Surya Roshni in a highly competitive market. Its key edge lies in backward integration, being the only Indian player with captive sponge iron availability.
- ✦ **Locational Advantage** : Sambhv Steel's Raipur-based plants offer easy access to iron ore and coal, with strong road and rail connectivity for pan-India distribution.

IPO Details

- ✦ Total Issue Size : **6,58,53,657 Shares** (Rs. 540 Cr.)
- ✦ Fresh issue : **5,36,58,536 shares** (Rs. 440 Cr.)
- ✦ OFS : **1,21,95,121 Shares** (Rs. 100 Cr.)
- ✦ Issue Price Band : **₹77 to 82 per share**
- ✦ Lot Size : **182 shares**
- ✦ IPO Date : **June 25–27, 2025**
- ✦ Pre IPO Promoters Holding : **71.93%**
- ✦ Post IPO Promoters Holding : **57.40%**

Objects of the issue

- ✦ Pre-payment or scheduled re-payment of a portion of certain outstanding borrowings : **Rs.390 Cr.**
- ✦ General corporate purposes

Financials of the company

(Fig. in Cr)

Particulars	9MFY2025 (Consolidated)	March 31, 2024 (Standalone)	March 31, 2023 (Standalone)	March 31, 2022 (Standalone)
Revenue from Operations	1,016.09	1,285.75	937.22	819.34
Gross Profit Margin	30.46%	28.43%	25.66%	24.35%
EBITDA	106.36	159.87	117.30	124.51
EBITDA Margins	10.47%	12.43%	12.52%	15.20%
PAT	40.68	82.43	60.38	72.10
PAT Margins	4%	6.41%	6.44%	8.80%
ROCE	7.67%	17.66%	20.20%	28.90%
EBITDA per Tonne (In Rs.)	5,346.25	7,160.70	7421.54	7,911.47
Operating Cash Flows	-42.12	142.42	65.55	34.49

Comparison with Peers

Companies	Revenue	EBITDA Margin	PAT Margin	D/E Ratio	ROCE	EBITDA / Tonne in Rs.	MCap	P/E
Sambhv Steel Tubes (FY 2024)	1,285.75 Cr.	12.43%	6.41%	0.79	17.66%	7,160	2416.21 Cr.	29.31*
APL Apollo Tubes (FY 2025)	20,690 Cr.	6%	3.65%	0.15	22.80%	3,900	49,920 Cr.	65.90
Hariom Pipes Industries (FY 2025)	1,357 Cr.	13%	4.56%	0.70	14.10%	7,147	1,202 Cr.	19.50
Hi-Tech Pipes (FY 2025)	3,068 Cr.	5%	2.37%	0.14	11.70%	3,500 - 4,000	2,043 Cr.	28
JTL Industries (FY 2025)	1,913 Cr.	6%	5.17%	0.04	13.20%	4,200 - 4,400	2,881 Cr.	29.20
Rama Steel Tubes (FY 2025)	1,048 Cr.	3%	2.19%	0.24	8.50%	-	1,868 Cr.	82.10
Surya Roshni (FY 2025)	7,435 Cr.	8%	4.68%	0.01	20.90%	5,400	7,277 Cr.	20.90

*Forward PE is 44.54 on the basis of FY 25 PAT.

Pros and Cons

Pros (Strengths & Opportunities)

- ✦ Core Manufacturing and Product Diversification
- ✦ Backward Integration Capabilities
- ✦ **Strategic Location** : Their two operational manufacturing facilities in Sarora (Tilda) and Kuthrel, Raipur, Chhattisgarh, are strategically located in a **mineral-rich state**, providing easy access to key raw materials like iron ore and coal, and benefiting from good road and railway connectivity.
- ✦ Experienced Management and Distribution Network
- ✦ Industry Growth Prospects
- ✦ Profit margin and EBITDA per tonne are better than peers.

Cons (Weaknesses & Threats & Risks)

- ✦ **Market Competition** : The Indian steel industry is **highly competitive**, with numerous domestic and international manufacturers. The company competes with notable peers like APL Apollo Tubes, Hariom Pipe Industries, Hi-Tech Pipes, Rama Steel Tubes, JTL Industries, and Surya Roshni.
- ✦ **Industry Cyclicity and External Factors** : The steel industry is **cyclical**, with pricing subject to market demand, volatility, and commodity price fluctuations, including oil prices, which can impact government spending and demand for ERW pipes. Broader **macroeconomic conditions in India and globally** can also adversely affect the business.
- ✦ ROCE reduced for 9M FY 25.



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