



Company Overview

Bombay Coated and Special Steel Ltd. is a steel processing centre engaged in converting steel coils into value-added products through precision slitting, cut-to-length processing, shearing and embossing. Incorporated in 1919, the business has an operating history dating back to 1983. Its product portfolio includes slit coils, embossed slit coils, blanks and sheared blanks, catering to diverse end-user industries such as home and commercial appliances, automotive and auto components, electrical and electronics equipment, and general engineering. The Home and Commercial Appliances segment remains the key revenue contributor. The company operates four manufacturing facilities across Wada and Bhiwandi in Maharashtra, Ghiloth in Rajasthan, and Sri City in Andhra Pradesh, with an installed processing capacity of 1,23,153 MTPA, which has grown at a CAGR of 23.83% over the past two years. In FY26, the company served approximately 261 customers, including leading OEMs and ODMs such as Haier Appliances, IFB Refrigeration, Dixon Electro Manufacturing, Amber Enterprises, Western Refrigeration, EPack Durable and PG Technoplast. Its established relationships with major consumer durable brands, including Voltas, Havells, Whirlpool, Panasonic, Godrej and Bajaj Electronics, support its presence across key end-user markets. JSW Steel Coated Products Limited (JSWSCPL) is its holding company and an authorised supply and technical support partner.

Objects of the issue

The IPO comprises a fresh issue of Rs.183 crores, The company proposes to utilize the proceeds from the issue towards the following objects:

- ⇒ Repayment/pre-payment, in full or in part, of certain borrowings availed by our Company;
- ⇒ Financing the cost towards acquisition of capital equipment under existing lease arrangements with Siemens Financial Services Private Limited; and
- ⇒ General corporate purposes.

Investment Rationale

Established Relationship with JSWSCPL and Strong Customer Relationships

Bombay Coated and Special Steel benefits from its longstanding association with JSW Steel Coated Products Limited (JSWSCPL), its holding company and a key supplier of raw materials since the company became an authorised service partner in 2021. JSWSCPL supplies galvanised, colour-coated and galvalume steel coils and provides technical assistance to support product specifications and quality standards. Raw material purchases from JSWSCPL account for ~85-90% of total purchases, ensuring access to a consistent supply of steel and supporting its ability to cater to customised processing requirements. The partnership also strengthens the company's engagement with OEMs and ODMs, which contribute ~95-99% of revenue. Its customer base spans consumer durables, HVAC and refrigeration, electrical equipment, automotive components and general engineering, providing exposure to multiple end-user industries. However, revenue concentration remains a key monitorable, with Home and Commercial Appliances contributing 86% of FY26 revenue and the air-conditioning segment alone accounting for 46%. Further, the top 10 customers contributed Rs. 903.6 crore, or 71.3% of total revenue in FY26. While established customer relationships and repeat business provide revenue visibility, the high customer and segment concentration exposes the company to demand fluctuations and changes in procurement patterns among key customers.

Strategically Located Manufacturing Facilities and Advanced Processing Capabilities

The company operates four strategically located processing centres across Western, Northern and Southern India, enabling proximity to major OEM and ODM manufacturing hubs and key customers. This geographical presence supports just-in-time deliveries, shorter transit times and lower freight costs, enhancing supply-chain efficiency and potentially supporting operating margins. The company also manages logistics, inventory and bulk-storage infrastructure internally, facilitating efficient material handling and continuity of operations. Its integrated processing infrastructure comprises precision slitting, cut-to-length, shearing and embossing lines, supported by domestic and imported machinery sourced from countries including South Korea, Türkiye and China. All manufacturing facilities are ISO 9001:2015 certified, reflecting standardised operating procedures and quality-control practices. These capabilities enable the company to deliver customised steel products based on customer-specific dimensional, technical and surface-finish requirements, strengthening its position as a value-added processing partner for OEMs and ODMs. Going forward, efficient utilisation of installed capaci-

Issue Details

Offer Period	29th Oct 2026–02nd Nov 2026
Price Band	Rs. 78 to Rs. 82
Bid Lot	182
Listing	BSE & NSE
Issue Size (no. of shares in Cr.)	2.23
Issue Size (Rs. in Cr.)	183
Face Value (Rs.)	10

Issue Structure

QIB	50%
NIB	15%
Retail	35%

BRLM	Smart Horizon Capital Advisors Pvt. Ltd.
Registrar	Kfin Technologies Ltd.

Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	97.78%	63.03%
Public	2.22%	36.97%
Total	100.00%	100.00%

(Assuming issue subscribed at higher band)

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Bombay Coated and Special Steels Ltd.

ty, cost management and the ability to scale operations in line with customer demand will be important drivers of profitability.

Valuation

Bombay Coated and Special Steel Ltd. is a steel processing centre engaged in converting steel coils into value-added processed products, with a diversified presence across Home & Commercial Appliances and General Engineering. The company plans to expand its existing Ghiloth facility in Rajasthan to capitalise on rising demand, supported by higher capacity utilisation in H2 compared with the full-year average. The proposed expansion involves procuring additional machinery, with the company having already acquired an additional 11,250 sq. m. land parcel for Rs. 11.6 crore. Additionally, the company proposes to utilise ~Rs. 125 crore from the net IPO proceeds towards debt repayment or prepayment, which could reduce financial leverage and strengthen its balance sheet. The industry outlook remains favourable, with India's steel consumption growing at a CAGR of 11.6% from 95 million tonnes in FY21 to 164 million tonnes in FY26, while crude steel production increased at a CAGR of 10.3%, supported by sustained growth in infrastructure, construction and manufacturing activities. Financially, the company reported revenue growth at a CAGR of 18.8% between FY24 and FY26, while EBITDA margins remained relatively stable at 6.5-7.0% and PAT margins at 2.4-2.8% over the last three years, improving to 3.8% in the latest reported quarter. However, ROE moderated to 25.1% in FY26 from 34.5% in FY25. At the upper price band of Rs. 82 per share, the issue is valued at 10.25x FY26 earnings. **Considering its diversified customer and end-market exposure, growth opportunities from capacity expansion and the potential improvement in financial leverage following debt repayment, we thus recommend "SUBSCRIBE" to the issue.**

Key Risks:

- ⇒ The company is significantly dependent on JSW Steel Coated Products Limited, which accounted for 86.65% of its raw material procurement. Any supply disruption, pricing changes or disputes with the supplier could affect production continuity, timely delivery of finished goods, operating margins and overall financial performance.
- ⇒ The company has faced past non-compliances under the Companies Act, 2013, including delays in statutory filings and errors in reporting the allotment of 24.50 lakh equity shares issued as consideration for the acquisition of Bombay Steels. While corrective filings have been undertaken, certain adjudication proceedings and rectification applications remain pending with the RoC. Any adverse outcome could result in penalties, additional compliance costs and reputational damage.
- ⇒ The company has reported negative investing cash flows in FY24-FY26, primarily due to capital expenditure and asset investments, alongside financing outflows in certain periods arising from debt repayments and interest payments. Sustained cash flow pressures could constrain liquidity, increase dependence on external borrowings and affect the company's ability to meet working capital requirements, service debt and fund planned expansion.

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Income Statement (Rs. in Crores)

Particulars	FY24	FY25	FY26	Q1 FY27
Revenue				
Revenue from operations	755	1,056	1,267	397
Total revenue	755	1,056	1,267	397
Expenses				
Cost of Material Consumed	657	950	1,112	330
Changes in inventories of Finished goods and Work-in-Progress	5	-22	8	15
Employee benefit expenses	7	8	12	5
Other expenses	36	45	48	14
Total operating expenses	706	982	1,181	365
EBITDA	49	74	86	32
Depreciation & amortization expenses	5	9	13	3
EBIT	44	65	73	29
Finance costs	26	31	36	9
Other Income	10	3	3	0
PBT	28	37	41	21
Tax expense				
Current tax	6	7	8	5
Deferred tax	1	1	2	1
Tax related to earlier years	0	0	0	0
Total tax	7	8	10	6
Net Profit	21	29	31	15
Diluted EPS	5.3	7.2	7.6	3.7

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in Crores)

Particulars	FY24	FY25	FY26	Q1 FY27
Cash Flow from operating activities	11	32	10	72
Cash flow from investing activities	-53	-42	-35	-1
Cash flow from financing activities	40	12	34	-73
Net increase/(decrease) in cash and cash equivalents	-2	2	9	-2
Cash and cash equivalents at the beginning of the period	2	0	2	11
Cash and cash equivalents at the end of the period	0	2	11	9

Source: RHP, BP Equities Research

Bombay Coated and Special Steels Ltd.

Balance Sheet (Rs. in Crores)

Particulars	FY24	FY25	FY26	Q1 FY27
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	116	118	164	166
(b) Capital WIP	0	5	5	7
(c) Right-of-Use Assets	1	19	14	13
(d) Financial Assets				
(i) Investments	0	0	0	0
(ii) Other Financial Assets	0	9	1	1
(e) Other Non-Current assets	0	6	0	0
Total Non Current Asset	117	158	186	188
Current Assets				
(a) Inventories	84	116	189	125
(b) Financial Assets	0	0	0	0
Trade receivables	106	137	129	165
Cash and cash equivalents	0	2	11	9
Other balances with banks	19	13	8	3
Other Financial Assets	2	2	2	2
(c) Other Current Assets	22	30	46	33
(d) Current tax assets (net)	0	2	0	0
Total Current Assets	233	300	386	338
Total Assets	350	458	571	526
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	10	10	41	41
(b) Other Equity	44	73	81	96
Total Equity	54	83	122	137
Liabilities				
Non Current Liabilities				
(a) Financial liabilities				
Borrowings	41	39	52	64
Lease Liabilities	1	14	10	9
(b) Provisions	0	1	1	1
(c) Deferred Tax Liabilities (net)	3	4	6	7
Total Non Current Liabilities	45	59	70	82
Current liabilities				
(a) Financial liabilities				
Borrowings	193	238	286	210
Lease Liabilities	0	3	3	4
- Trade Payables:-	56	73	86	86
(b) Other current liabilities	1	2	3	6
(c) Provisions	0	1	1	1
(c) Current tax liabilities (net)	0	0	0	2
Total Current Liabilities	251	317	380	308
Total Liabilities	296	375	450	389
total Equity and liabilities	350	458	571	526

Source: RHP, BP Equities Research

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil**Analyst (s) Certification:**

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