



Company Overview

CMR Green Technologies is one of India’s leading non-ferrous metal recyclers in terms of installed capacity as of March 31, 2025, and holds the largest market share in the domestic secondary aluminum market by revenue from operations in FY25 among its peers. The company enjoys a significant scale advantage, with an installed capacity approximately four times that of its nearest competitor in the recycled aluminum segment. The company manufactures a diversified range of recycled metal products, including recycled aluminum alloys (in ingot and liquid form), zinc alloy ingots, dross, and furnace-ready scrap of stainless steel, copper, brass, zinc, lead, and magnesium. It also recycles used beverage can scrap to support the metal requirements of primary producers. In addition, CMR Green Technologies produces aluminum billets used in both automotive and non-automotive applications. Manufactured from recycled aluminum, these billets serve as key raw materials for extrusion processes used to create aluminum profiles for a wide range of end-use industries. The company’s customer base primarily comprises original equipment manufacturers (OEMs) and Tier 1 suppliers in the automotive sector. Its procurement network extends across India and international markets spanning Asia, Africa, the Middle East, Europe, and the Americas. CMR Green operates 13 strategically located recycling facilities across India, including units in Haryana, Gujarat, Maharashtra, Tamil Nadu, Uttarakhand, Rajasthan, Odisha, and Andhra Pradesh. As of March 31, 2026, these facilities had a combined actual production capacity of 6,15,150 MTPA. The commissioning of new plants in Tirupati and Odisha has further strengthened the company’s ability to cater to a broader range of aluminum products across the recycling value chain.

Objects of the issue

The company will not receive any proceeds from the issue. The entire offer comprises of OFS worth Rs. 631 crores.

Investment Rationale

Strong and diversified supplier base supports operational stability

The ability to source metal scrap efficiently is a critical factor in the growth and development of CMR Green’s business. Owing to limited domestic availability, the company procures metal scrap from a diversified network of approximately 198 global suppliers across 73 countries, as of FY25. The company’s key suppliers include major global players such as Sims Global Commodities PTE Ltd, EMR USA Holdings LLC, European Metal Recycling, Radius Recycling Inc., Stermin S.P.A., Indra Recycling GmbH, GP Harmon Recycling LLC, and Gemini Corporation N.V. Alongside its international sourcing strategy, the company is also increasing its focus on domestic scrap procurement. As raw materials constitute a significant portion of overall costs, the company benefits from its broad and diversified supplier base, which helps ensure a stable and uninterrupted supply of inputs. It has maintained long-standing relationships with several suppliers over the years, enabling it to negotiate favorable commercial terms and improve procurement efficiency. The company leverages established processes and systems to assess raw material requirements by considering factors such as market prices, process yields, inventory levels, and supply lead times. This enables it to procure the optimal mix and quantity of raw materials aligned with projected sales demand. As a result, the company is able to enhance production planning, maintain timely deliveries to customers, and optimize costs across its operations.

Advanced recycling infrastructure supports scalable growth

CMR Green operates 13 strategically located recycling facilities across India, providing the benefits of integrated and centralized operations. Its manufacturing infrastructure offers the flexibility to process a wide variety of metal scrap, enabling efficient production across multiple product categories. The company utilizes advanced technologies throughout its recycling and manufacturing processes, including regenerative burners, de-coaters, and metal circulation furnaces. These technologies help improve metal recovery rates, enhance operational efficiency, and reduce fuel consumption and processing costs. The company believes its technology-driven manufacturing processes enable it to consistently produce high-quality products that meet customer specifications in a cost-effective manner. CMR Green also has an in-house research and development facility recognized by the Department of Scientific and Industrial Research (DSIR). To maintain product quality and consistency, the

Issue Details

Offer Period	03 rd June, 2026 – 05 th June, 2026
Price Band	Rs. 182 to Rs. 192
Bid Lot	78
Listing	BSE, NSE
Issue Size (no. of shares in Crs.)	3.29
Issue Size (Rs. in Crs.)	631
Face Value (Rs.)	2

Issue Structure

QIB	50%
NIB	15%
Retail	35%

BRLM	Equirus Capital Ltd., ICICI Securities Ltd., Motilal Oswal Investment Advisors Ltd.
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Registrar	KFin Technologies Ltd.
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Particulars	Pre Issue %	Post Issue %
Promoters and promoter group	86.9	45.3
Public	13.1	54.7
Total	100.0	100.0

(Assuming issue subscribed at higher band)

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company follows stringent quality control measures across every stage of its manufacturing and recycling operations. These include multi-stage raw material inspections, chemical analysis of alloys, microstructure testing, and other validation procedures to ensure that finished products meet precise customer requirements and quality standards. The company further supports its operations with robust process controls and integrated IT systems featuring plug-and-play capabilities, which enhance operational repeatability, scalability, and efficiency across its manufacturing network.

Valuation

CMR Green Technologies is one of India's leading non-ferrous metal recyclers in terms of installed capacity as of March 31, 2025. The company manufactures a diversified portfolio of recycled metal products, including recycled aluminum, zinc alloy ingots, dross, and furnace-ready scrap of stainless steel, copper, brass, zinc, lead, and magnesium. It also recycles used beverage can scrap to cater to the raw material requirements of primary metal producers. As of FY25, recycled aluminum accounted for approximately 40.8% of India's total aluminum demand and is expected to reach 3.71 million MT by FY30, increasing its share to 44.9%. The company is well-positioned to benefit from these favorable industry trends, supported by its leadership in liquid aluminum supply, strong execution capabilities, and an extensive customer base across India. Its diversified global supplier network ensures reliable raw material sourcing and supports cost-efficient operations. Additionally, strategically located recycling facilities, advanced manufacturing technologies, stringent quality control systems, and in-house R&D capabilities strengthen its operational efficiency and competitive positioning. Financially, the company has delivered healthy earnings growth, with PAT and EBITDA registering CAGRs of 21.8% and 21.1%, respectively, during FY23-FY25. Over the same period, EBITDA margin improved from 3.5% to 4.6%, while PAT margin expanded from 1.8% to 2.3%, reflecting improved operating efficiency and profitability. **At the upper price, the issue is valued at a P/E multiple of 21.3x based on FY26E earnings, which is lower compared to its peers. Considering its leadership position in the recycled metals industry, strong operational capabilities, improving financial performance, and attractive valuation, we recommend a "SUBSCRIBE" rating from a medium-term to long-term perspective.**

Key Risks

- ⇒ The company derives a substantial portion of its revenue from the sale of key products such as liquid aluminum alloys and aluminum alloy ingots. Any loss of sales due to reduced demand for these products could adversely affect the company's business, financial condition, results of operations, and cash flows. In addition, the company may be unable to diversify into new product lines, which could adversely affect its business, operating revenue, cash flows, and financial condition.
- ⇒ The company's operations involve the melting of aluminum scrap in furnaces as well as the transportation of high-temperature liquid metal to customers. These activities can be extremely dangerous, and any accident, including a spill-over of high-temperature liquid metal, could cause serious injury to people or property and, in certain circumstances, even death during transit. Such incidents may adversely affect the company's production schedules, costs, sales and ability to meet customer demand.
- ⇒ One of the company's service providers has alleged that the company committed defaults in the repayment of certain amounts under a facility availed by it and has initiated several litigation proceedings, including a corporate insolvency resolution process, against the company. If any adverse findings are made in such proceedings or if the company is declared insolvent, its business, cash flows and financial condition could be adversely affected.

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Income Statement (Rs. in millions)

Particulars	FY23	FY24	FY25	9MFY26
Revenue				
Revenue from operations	58,685	59,524	66,665	62,755
Total revenue	58,685	59,524	66,665	62,755
Expenses				
Cost of raw materials consumed	51,865	53,044	59,233	55,268
Purchase of traded goods	-	1	7	5
Changes in inventories of finished goods and traded goods	559	63	(415)	(75)
Employee benefits expenses	1,214	1,291	1,453	1,347
Other expenses	2,977	2,950	3,349	2,966
Total operating expenses	56,615	57,350	63,628	59,511
EBITDA	2,070	2,174	3,037	3,244
Depreciation & amortization expense	468	496	627	566
EBIT	1,602	1,678	2,410	2,678
Finance costs	434	538	612	668
Other Income	214	160	302	155
Exceptional item	-	12,396	-	-
Profit before share of joint ventures and tax	1,382	(11,096)	2,100	2,165
Share in (loss) of Joint Ventures (net of tax)	(3)	(5)	(49)	(33)
PBT	1,379	(11,101)	2,051	2,132
Tax expense	334	(2,715)	500	508
Net Profit	1,045	(8,386)	1,550	1,624
Diluted EPS	4.4	(38.3)	6.5	6.8

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in millions)

Particulars	FY23	FY24	FY25	9MFY26
Cash Flow from operating activities	6,109	741	(920)	(3,877)
Cash flow from investing activities	(963)	(1,338)	(2,348)	(954)
Cash flow from financing activities	(4,843)	307	3,256	4,828
Net increase/(decrease) in cash and cash equivalents	302	(289)	(12)	(4)
Cash and cash equivalents at the beginning of the period	17	319	30	18
Cash and cash equivalents at the end of the period	319	30	18	14

Source: RHP, BP Equities Research

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Balance Sheet (Rs. in millions)

Particulars	FY23	FY24	FY25	9MFY26
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	4,261	5,488	6,019	6,991
Capital Work-in-Progress	428	260	1,498	698
Investment property	3	-	-	-
Goodwill	12,396	-	-	-
Intangible assets	3	18	25	21
Intangible assets under development	7	-	-	-
Right-of-use assets	465	626	647	643
Investments in Joint ventures	364	359	310	277
Financial Assets				
(i) Investments	0	8	10	16
(ii) Loans	1	2	4	6
(iii) Other financial assets	67	86	78	101
Deferred tax assets (net)	6	0	24	1,007
Non-current tax asset (net)	185	251	216	163
Other non-current assets	561	628	611	1,002
Total Non Current assets	18,746	7,725	9,441	10,923
Current Assets				
Inventories	6,170	6,198	8,272	11,915
Financial Assets				
(ii) Trade receivables	5,536	6,272	7,876	8,850
(iii) Cash and cash equivalents	319	30	18	14
(iv) Bank balances other than (iii) above	51	41	62	43
(v) Loans	4	6	6	15
(vi) Others financial assets	830	278	664	1,661
Current tax asset (net)	56	4	10	21
Other Current Assets	1,802	1,389	1,804	3,051
Total Current Assets	14,769	14,218	18,712	25,571
Assets held for sale	2	1	5	12
Total Assets	33,517	21,944	28,159	36,506
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	443	438	438	438
Other Equity	20,648	11,880	13,288	14,646
Equity attributable to owners of the Parent Company	21,090	12,318	13,726	15,084
Non-Controlling Interest	1,288	1,346	1,486	2,019
Total equity	22,378	13,664	15,213	17,103
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
(i) Borrowings	501	1,366	2,143	1,291
(ii) Lease Liabilities	130	290	255	239
(iii) Other financial liabilities	3	3	6	6
Provisions	52	69	118	139
Deferred tax liabilities (net)	3,298	218	195	784
Total Non-Current Liabilities	3,984	1,946	2,716	2,460
Current Liabilities				
Financial Liabilities				
(i) Borrowings	3,181	3,620	6,798	11,741
(ii) Lease Liabilities	60	76	55	70
(iii) Trade payables	3,148	1,779	2,313	2,465
(iv) Other Financial Liabilities	308	387	509	1,703
Current Tax Liabilities (Net)	52	117	127	237
Provisions	59	60	33	42
Other Liabilities	347	295	394	684
Total Current Liabilities	7,155	6,334	10,229	16,943
Total Liabilities	11,138	8,280	12,946	19,403
Total Equity and Liabilities	33,517	21,944	28,159	36,506

Source: RHP, BP Equities Research

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

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