IPO REVIEW

Anand Seamless IPO

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- The company is engaged in tubes and pipes manufacturing and marketing it in domestic and international markets.
- It posted inconsistency in its top and bottom lines for the reported periods.
- Bumper profits in a pre-IPO year (FY26) appears window dressing to fetch fancy valuations for the IPO.
- Based on its recent average financial performance, the issue appears aggressively priced.
- Merchant banker has a poor track record so far.
- There is no harm in skipping this pricey and dicey IPO.

About the Company

Anand Seamless Ltd. (ASL) is a tubes and pipes manufacturer and exporter based in India having an experience of nearly two decades. Its products are broadly categorized into: (i) Seamless tubes and pipes; and (ii) Finned tubes. Its Products are used by a diverse range of customers like Automobile Industries, Heat Exchanger Industry, Petroleum Industries, Pharmaceutical Industries, Chemical Industries, Oil and Gas Refineries, Thermal & Nuclear Power Plants, Boiler Manufacturing, Chemical Industries, Textile Machinery, Railways and Transportation sectors, Defense Sector.

The Company possesses an integrated capability as a manufacturer and supplier, enabling it to provide a one-stop solution for the specialized requirements of its customers. This integration facilitates consistent product quality, timely delivery, and reliable service. Leveraging its manufacturing expertise and diversified operations, the Company serves a broad base of clients across various industries.

ASL’s strategic customer base comprises leading oil and gas majors. Combined with its integrated manufacturing capabilities, this positions the company in a specialized segment characterized by high qualification and entry barriers. These factors limit new competition, provide pricing leverage, and support long-term customer retention. Its seamless pipes and tubes manufacturing capacity is approximately 3,000 metric tons per annum and finned tube manufacturing capacity is approximately 3,60,000 meters per annum, operating from manufacturing facility located in Gujarat.

It caters to both the domestic as well as the international markets. In the domestic market, it sells Products to Heat Exchanger Industry, Petroleum Industries, Pharmaceutical Industries, Chemical Industries, Oil and Gas Refineries Railways, Thermal & Nuclear Power Plants, Boiler Manufacturing, Chemical Industries, Textile Machinery, and Transportation sectors, Automobile Industries, Defense

Sector, Cement Industries. As of March 31, 2026, it had overall 100 employees on its payroll, and additional 67 contractual workers in various department.

Issue Details / Capital History

The company is coming out with its maiden IPO of 3544000 equity shares of Rs. 10 each at a fixed price of Rs. 72 per share, to mobilize Rs. 25.52 cr. The minimum application to be made is for 3200 shares and in multiples of 1600 shares thereon, thereafter. The issue opens for subscription on September 22, 2026 and will close on September 24, 2026. The shares will be listed on BSE SME. The IPO constitute 29.61% of the post-IPO paid-up capital of the company. The company is spending Rs. 3.13 cr. for this IPO process, and from the net proceeds of the issue, the company will utilize Rs. 13.20 cr. for capex on capacity expansion, technology upgradation etc., Rs.5.49 cr. for repayment/prepayment of certain borrowings, and Rs. 3.70 for general corporate purposes.

The IPO is solely lead managed by Aftertrade Broking Pvt. Ltd., while MUFG Intime India Pvt. Ltd. is the registrar to the issue. Aftertrade Broking Pvt. Ltd. is also market maker.

After issuing initial equity capital at par value, the company also issued further equity shares in the price range of Rs. 200.00 – Rs. 720.00 per share, between October 2008, and January 2013. It has also issued bonus shares in the ratio of 80 for 1 in December 2025. The average cost of acquisition of shares by the promoters is Rs. 0.61, and Rs. 2.02 per share.

Post-IPO, company’s current paid-up equity capital of Rs. 8.43 cr. (8425458 equity shares) will stand enhanced to Rs. 11.97 cr. (11969458 equity shares). Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 86.18 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total revenue/ net profit, of Rs. 37.00 cr. / Rs. 3.36 cr. (FY24), Rs. 33.64 cr. / Rs. 2.65 cr. (FY25), Rs. 56.17 cr. / Rs. 5.48 cr. (FY26). The company marked inconsistency in its top and bottom lines for the reported periods. Rising trade receivables raise alarm.

For the last three fiscals, the company has reported an average EPS of Rs. 4.96 and an average RoNW of 25.24%. The issue is priced at a P/BV of 3.11 based on its NAV of Rs. 23.17 per share as of March 31, 2026 , and at a P/BV of 1.91 based on its post-IPO NAV of Rs. 37.63 per share.

If we attribute FY26 earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 15.72, and based on FY25 earnings, the P/E stands at 32.58. The issue appears aggressively priced based on its recent average earnings. Boosted profits for FY26 (pre-IPO year) appears a window dressing for fancy valuations of IPO.

The company has posted PAT Margins of 9.09% (FY24), 7.88% (FY25), 9.75% (FY26) and RoCE margins of 23.90%, 15.64%, 20.66%, respectively for referred periods.

Dividend Policy

The company has not paid any dividends since incorporation. It will adopt a prudent dividend policy, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Venus Pipes, Gandhi Spl. Tubes, Ratnamani Metals, Scoda Tubes, as its listed peers. They are currently trading at a P/E of 45.8, 14.5, 45.9, 20.7, (as of September 18, 2026). However, they are not truly comparable on an apple-to-apple basis.

Merchant Banker's Track Record

This is the 2nd mandate from Aftertrade Broking, in the last two fiscals (including the ongoing one). The only listing that took place so far opened at a discount. Thus, it has a poor track record.

Conclusion / Investment Strategy

ASL is engaged in tubes and pipes manufacturing and marketing it in domestic and international markets. It posted inconsistency in its top and bottom lines for the reported periods. Bumper profits in a pre-IPO year (FY26) appears window dressing to fetch fancy valuations for the IPO. Based on its recent average financial performance, the issue appears aggressively priced. Merchant banker has a poor track record so far. There is no harm in skipping this pricey and dicey IPO.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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