

Retail Research	IPO Note
Sector: Iron & Steel	Price Band (Rs): 132 – 139
24 th September 2026	Recommendation: NEUTRAL

German Green Steel & Power Ltd.

Company Overview:

German Green Steel & Power Ltd. (GG SPL) is a vertically integrated iron and steel manufacturer with a main focus on TMT Bars. The company primarily operates in the state of Gujarat, with 2 manufacturing facilities located at Samakhiali and Viramgam (Viramgam facility is operated through material subsidiary German TMT Pvt Ltd). The company predominantly conducts its business on a B2B basis with 3 major types of customers i.e. distributors, dealers, and institutional customers. TMT bars produced by the company and its material subsidiary are sold under the brand “German TMT”, and are also accorded a 4 star green steel rating and a 5 star green steel rating (which is the highest green steel rating), from the National Institute of Secondary Steel Technology, Mandi Gobindgarh (India), respectively.

Key Highlights:

1. Vertically integrated operations: The company’s Samakhiali unit facilitates vertical integration through the manufacturing of Sponge Iron (input material for production of MS Billets) and production of MS Billets (input material for TMT Bars). Generally, after meeting the captive consumption requirements, the company sells the surplus Sponge Iron and MS Billets in the open market. Further, the facility has an installed 20 MW captive power plant (16 MW Coal based and 4 MW Waste Heat Recovery). Similarly, the company’s Viramgam facility is also supported by captive hybrid wind solar plants, and as of FY26, the company met ~75% of its energy requirements through captive power and renewable energy capabilities. On the logistics front, the Samakhiali facility is located in proximity to the Kandla (~50 kms) and Mundra (~105 kms) ports, which facilitate the efficient import of raw materials (particularly steel scrap).

2. Expansion plans: At present, the company is in the process of expanding its installed Sponge Iron capacity at the Samakhiali facility from 66,000 MTPA to ~1,48,500 MTPA, MS Billets production capacity from 2,14,500 TPA to 4,12,500 TPA, and the existing installed TMT Bars production capacity from 1,81,500 MTPA to 3,46,500 MTPA, respectively. In addition, GG SPL is setting up a new hybrid wind-solar power plant with a total capacity of 25.2 MW (Solar: 10.8 MW DC; Wind: 14.4 MW) in Bharuch district, Gujarat, out of which it has already commissioned a hybrid wind solar plant of 16.2 MW (Solar: 7.2 MW DC; Wind: 9.0 MW).

3. Focus on value-added products and strengthening customer base: The company’s product portfolio comprises mainly of TMT Bars (8 mm to 40 mm), MS Billets, and Sponge Iron. The company has also commenced the production of value-added products such as cut & bend bars and epoxy coated TMT bars. Going forward, GG SPL intends to further increase its presence in value-added products such as stainless steel round bars and cut & bend bars, epoxy coated TMT bars and corrosion resistant TMT bars. Additionally, it aims to increase market penetration in Gujarat, while strengthening presence in the adjoining states of Rajasthan, Maharashtra, and in Central India (beginning with Madhya Pradesh).

View & Valuation: GG SPL is engaged in the manufacturing and sale of TMT Bars (used in construction activities) produced through the electric arc furnace route. The company’s Samakhiali facility is vertically integrated for the production of sponge iron and MS billets which are the input materials for the production of TMT bars. Historically, the company has recorded Revenue/EBITDA/PAT CAGR of 21.9%/45.1%/38.5% respectively over the FY24-FY26 period. Going forward, the company is doubling its installed TMT bars production capacity, accompanied with expansion for its input materials manufacturing and captive power capacities, with shall be facilitated through the utilization of fresh proceeds from the issue. At the upper price band of Rs 139, the issue is valued at FY26 EV/EBITDA multiple of 6.4x based on post-issue capital, which is at a discount to its listed peers. However, the company operates in the cyclical steel/TMT bars industry, which in particular has witnessed sharp volatility in prices recently. Thus, we assign a NEUTRAL rating to the issue and would like to track the performance of the company for a few quarters post listing.

Issue Details

Date of Opening	25 th September 2026
Date of Closing	29 th September 2026
Price Band (Rs)	132 – 139
Issue Size (Rs cr)	304
Fresh Issue (Rs cr)	290
Offer for sale (Rs cr)	14
Total issue size	2,18,63,309 shares @UB
Face Value (Rs)	10
Post Issue Market Cap (Rs cr)	1,047 @upper price band
BRLMs	Systematix Corporate Services Ltd, Emkay Global Financial Services Ltd, Pantomath Capital Advisors Pvt Ltd
Registrar	Bigshare Services Pvt Ltd
Bid Lot	107 shares and in multiple thereof
QIB shares	50%
Retail shares	35%
NII shares	15%

Objects of Issue

Particulars	Estimated utilization from net proceeds (Rs cr)
Funding capex of Samakhiali manufacturing facility expansion and hybrid wind & solar power plant	226.3
Prepayment or re-payment, in full or in part, of certain outstanding borrowings	7.7
General corporate purposes*	-
Net proceeds from fresh issue*	-

*The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

Shareholding Pattern

Pre-Issue	No. of Shares	%
Promoter & Promoter Group	5,26,47,888	96.6
Public & Others	18,38,000	3.4
Total	5,44,85,888	100.0

Post Issue @ UB	No. of Shares	%
Promoter & Promoter Group	5,16,47,888	68.5
Public & Others	2,37,01,309	31.5
Total	7,53,49,197	100.0

Selling shareholder via OFS	Classification	No. of shares
Inamulhaq Shamsulhaq Iraki	Promoter	5,00,000
Abdulhaq Shamsulhaq Iraki	Promoter	5,00,000
Total		10,00,000

Source: RHP, SBICAP Securities Research

Key Financials & KPIs

Particulars (Rs cr)	FY24	FY25	FY26
Revenue from operations	1,130	1,508	1,679
EBITDA	79	117	167
EBITDA Margin (%)	7.0	7.7	9.9
PAT	42	60	80
PAT Margin (%)	3.7	4.0	4.8
EPS	7.6	11.0	14.7
RoE (%)	23.7	20.5	19.0
RoCE (%)	20.7	17.4	20.2
P/E (x)*	18.2	12.6	9.5
No. of Distributors	12	13	12
No. of Dealers	73	116	148
No. of Direct institutional customers	215	325	343

*Note: Pre-issue P/E based on upper price band

Source: RHP, SBICAP Securities Research

Risk Factors

- **Raw material risk:** Apart from the intermediate produces i.e. Sponge Iron and MS Billets which the company manufactures in-house, GGSPL procures its primary raw materials (steel scrap, iron ore, coal, silico manganese, dolomite) from third-party suppliers, largely in the absence of long term contracts. Additionally, a majority of the scrap which the company procures is imported directly from multiple vendors in countries such as UAE, Singapore, UK, US, etc. on spot prices, while the rest is procured from local vendors.
- **Price fluctuations:** The demand and pricing for the company's products (TMT Bars, MS Billets and Sponge Iron) are volatile and sensitive to the cyclical nature of the end-user industries and raw material prices. A decrease in TMT Bar prices may have a material adverse effect on the company's business.
- **Heightened competition:** The company operates in a commoditized steel/TMT bars industry and faces competition from national and local players. Over the recent years, Gujarat has emerged as a significant hub for steel production in India, with 68 new steel units established over the past 5 years, the highest among all states. This rapid expansion has led to concerns regarding overcapacity. In addition, the influx of cheaper imported steel, particularly from China, has further exacerbated the situation. Thus, GGSPL's inability to compete effectively may have an adverse impact on its business and operations.

Growth Strategies

- Focus on cost optimization and improving operational efficiency.
- Strengthen institutional customer base and expand distribution network into adjoining states.
- Foray into contract manufacturing.
- Expand production capacity and improve presence into various value added products.
- Continue to emphasize on brand building.

Product Portfolio



Sponge Iron



MS Billet



TMT Bars



Cut & Bend

Epoxy coated
TMT bars

Source: RHP, SBICAP Securities Research

Revenue Mix – Product Categories

Particulars	FY24		FY25		FY26	
	Rs cr^	% of TR	Rs cr^	% of TR	Rs cr^	% of TR
TMT Bars	713	63.1%	1,002	66.5%	1,322	78.7%
MS Billets	175	15.5%	112	7.4%	101	6.0%
Sponge Iron	31	2.7%	31	2.1%	31	1.9%
Others*	211	18.7%	362	24.0%	225	13.4%
Total Revenue (TR)	1,130	100.0%	1,508	100.0%	1,679	100.0%

*Includes sales of by-products and miscellaneous items, such as MS scrap, mill scale, black fly ash, MISS roll, etc.

^Excludes other operating revenue

Source: RHP, SBICAP Securities Research

Revenue Mix – Types of Customers

Particulars	FY24		FY25		FY26	
	Rs cr^	% of TR	Rs cr^	% of TR	Rs cr^	% of TR
Distributors	598	52.9%	610	40.4%	631	37.6%
Dealers	36	3.2%	173	11.5%	351	20.9%
Institutional Customers	495	43.8%	725	48.1%	697	41.5%
Total Revenue (TR)	1,130	100.0%	1,508	100.0%	1,679	100.0%

^Excludes other operating revenue

Source: RHP, SBICAP Securities Research

Revenue Mix – Domestic vs Exports

Particulars	FY24		FY25		FY26	
	Rs cr^	% of TR	Rs cr^	% of TR	Rs cr^	% of TR
Domestic	1,130	100.0%	1,508	100.0%	1,660	98.9%
Gujarat	1,114	98.6%	1,504	99.8%	1,641	97.8%
Punjab	1	0.1%	0	0.0%	9	0.5%
Rajasthan	6	0.5%	1	0.1%	3	0.2%
Maharashtra	-	-	1	0.1%	2	0.1%
Karnataka	-	-	-	-	2	0.1%
Others	10	0.9%	1	0.1%	3	0.2%
Exports	-	-	-	-	19	1.1%
Cape Verde	-	-	-	-	1	0.0%
Tanzania	-	-	-	-	14	0.8%
Srilanka	-	-	-	-	4	0.3%
Total Revenue (TR)	1,130	100.0%	1,508	100.0%	1,679	100.0%

^Excludes other operating revenue.

Source: RHP, SBICAP Securities Research

Capacity Details

Product	FY24	FY25	FY26
GG SPL (Samakhiyali)			
Sponge Iron			
Installed Capacity (MT)	66,000	66,000	66,000
Capacity Utilization	98.1%	99.3%	95.2%
MS Billets			
Installed Capacity (MT)	2,14,500	2,14,500	2,14,500
Capacity Utilization	86.5%	93.0%	76.4%
TMT Bars			
Installed Capacity (MT)	1,81,500	1,81,500	1,81,500
Capacity Utilization	81.1%	74.2%	84.4%
German TMT Pvt Ltd (Viramgam)			
MS Billets			
Installed Capacity (MT)	1,42,560	1,42,560	1,42,560
Capacity Utilization	71.9%	69.0%	84.0%
TMT Bars			
Installed Capacity (MT)	1,20,450	1,20,450	1,20,450
Capacity Utilization	66.6%	69.1%	92.7%
Combined Capacity			
Sponge Iron			
Installed Capacity (MT)	66,000	66,000	66,000
Capacity Utilization	98.1%	99.3%	95.2%
MS Billets			
Installed Capacity (MT)	3,57,060	3,57,060	3,57,060
Capacity Utilization	80.7%	83.4%	79.4%
TMT Bars			
Installed Capacity (MT)	3,01,950	3,01,950	3,01,950
Capacity Utilization	75.3%	72.2%	87.8%

Source: RHP, SBICAP Securities Research

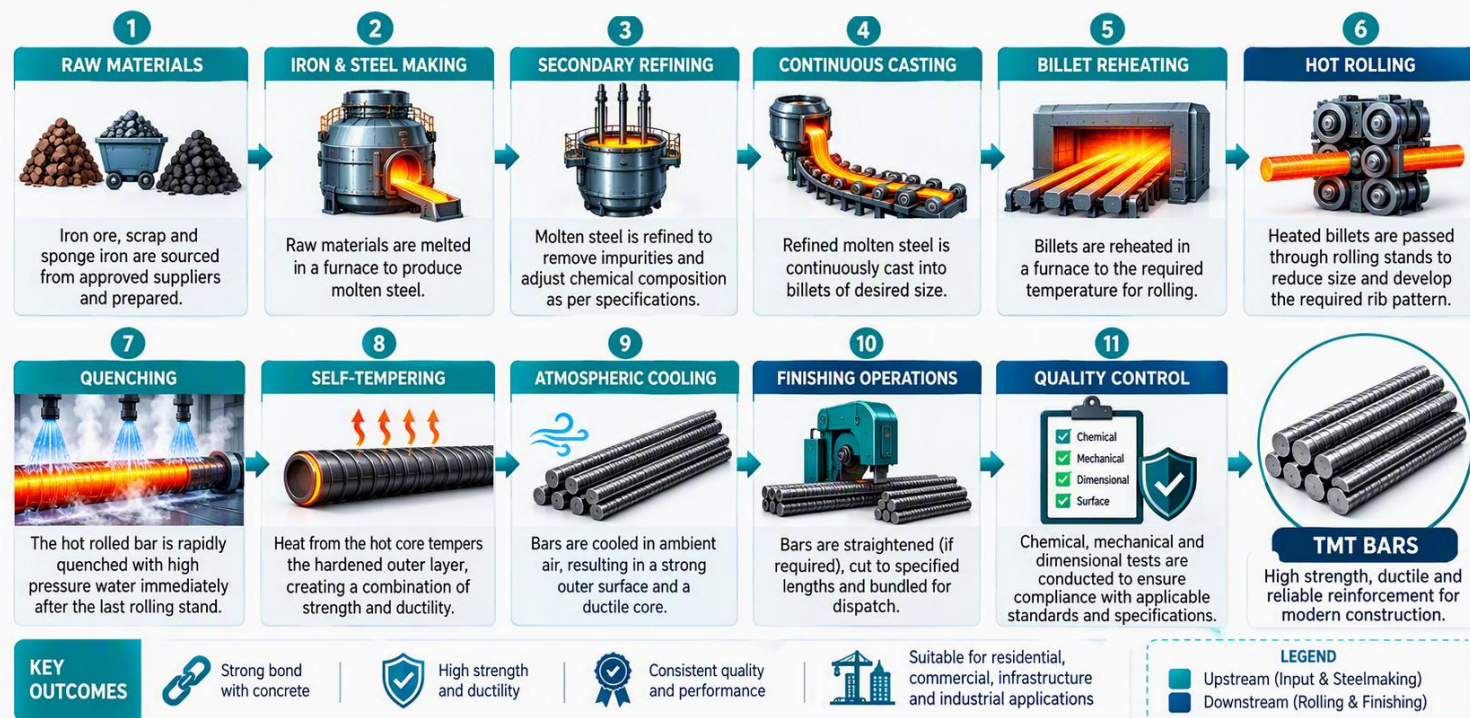
Captive Consumption of Input Materials

Product	FY24	FY25	FY26
Sponge Iron			
Total Production	64,734	65,554	62,837
Sales	10,181	12,062	17,037
Captive Consumption	54,553	53,492	45,800
% Production used for Captive Consumption	84.3%	81.6%	72.9%
MS Billets			
Total Production	1,85,523	2,97,904	2,83,654
Sales	38,851	28,084	27,116
Captive Consumption	1,46,672	2,69,820	2,56,538
% Production used for Captive Consumption	79.1%	90.6%	90.4%
TMT Bars			
Total Production	1,47,113	2,17,966	2,65,097
Sales	1,40,896	2,08,583	2,77,796

Source: RHP, SBICAP Securities Research

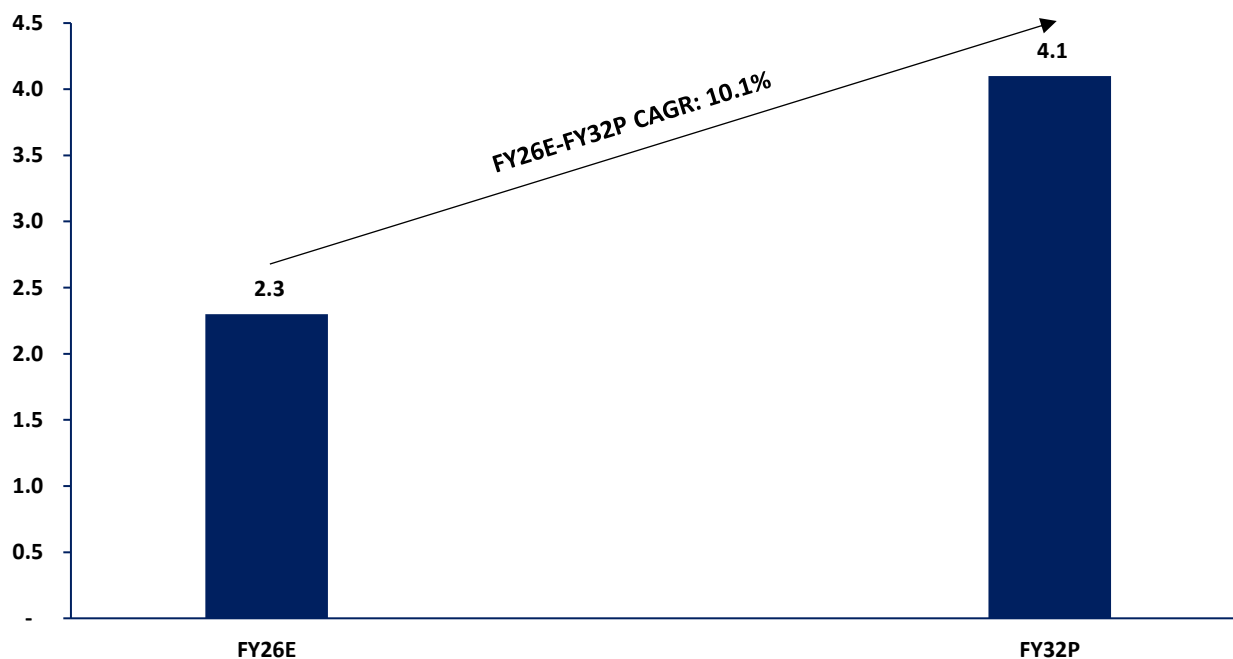
Industry Overview

TMT BAR MANUFACTURING VALUE CHAIN – OVERVIEW



Source: RHP, SBICAP Securities Research

India - TMT Industry Market Size (Rs tn)



Source: RHP, SBICAP Securities Research

Peer Comparison – FY26

Particulars (Rs cr)	GG SPL	Gallant Ispat	MSP Steel & Power	Kamdhenu	Beekay Steel Industries	VMS TMT
CMP (Rs)	139	559	36	41	430	46
Mkt Cap.	1,047	13,489	2,015	1,149	820	229
Enterprise Value	1,070	13,534	2,297	1,121	1,148	448
Revenue from Operations	1,679	4,419	2,843	763	1,175	839
EBITDA	167	717	178	101	95	65
EBITDA Margin (%)	9.9	16.2	6.3	13.2	8.1	7.7
Adj. PAT	80	481	135	79	14	21
Adj. PAT Margin (%)	4.8	10.9	4.7	10.4	1.2	2.5
RoE (%)	19.0	14.5	13.1	19.9	1.3	9.2
RoCE (%)	20.2	16.7	9.4	26.8	4.1	12.4
P/E (x)	13.1	28.0	14.9	14.5	58.6	10.9
EV/EBITDA (x)	6.4	18.9	12.9	11.1	12.1	6.9
EV/Sales (x)	0.6	3.1	0.8	1.5	1.0	0.5

For German Green Steel & Power Limited (GG SPL), the P/E(x), EV/EBITDA (x), and EV/Sales (x) ratios are calculated on post-issue equity share capital based on the upper price band.

CMP for peer companies is live price as on 23th September, 2026

Source: RHP, Exchange Filings, SSL Research

Financial Snapshot

INCOME STATEMENT			
Particulars (Rs cr)	FY24	FY25	FY26
Revenue from Operations	1,130	1,508	1,679
<i>YoY growth (%)</i>	-	33.4%	11.4%
COGS (incl Stock Adj)	870	1,180	1,251
Gross Profit	260	328	428
Gross margin (%)	23.0%	21.7%	25.5%
Employee Cost	25	33	42
Other Operating Expenses	156	178	218
EBITDA	79	117	167
EBITDA margins (%)	7.0%	7.7%	9.9%
Other Income	8	10	6
Interest Exp.	22	33	43
Depreciation	10	15	21
PBT	55	79	110
Tax	14	14	30
Share of profit of associates	1	(5)	-
PAT	42	60	80
PAT margin (%)	3.7%	4.0%	4.8%
EPS (Rs)	7.6	11.0	14.7

BALANCE SHEET			
Particulars (Rs cr)	FY24	FY25	FY26
Assets			
Net Block	221	346	488
Capital WIP	54	162	161
Right of use assets	0	1	8
Other Non current Assets	12	4	4
Current Assets			
Inventories	128	251	298
Trade receivables	88	150	163
Cash and Bank Balances	9	18	22
Short-term loans and advances	0	1	1
Other Current Assets	47	83	75
Total Current Assets	272	502	559
Current Liabilities & Provisions			
Trade payables	105	275	330
Other current liabilities	37	58	69
Short-term provisions	0	0	0
Total Current Liabilities	142	333	398
Net Current Assets	130	169	161
Total Assets	418	682	822
Liabilities			
Share Capital	8	53	54
Reserves and Surplus	168	240	367
Total Shareholders Funds	176	293	422
Minority Interest	-	1	2
Total Debt	198	348	334
Long Term Provisions	1	2	2
Lease Liabilities	0	1	9
Other Long Term Liabilities	17	1	-
Net Deferred Tax Liability	25	37	53
Total Liabilities	418	682	822

CASH FLOW STATEMENT			
Particulars (Rs cr)	FY24	FY25	FY26
Cash flow from Operating Activities	28	74	141
Cash flow from Investing Activities	(63)	(224)	(135)
Cash flow from Financing Activities	35	151	(7)
Free Cash Flow	(49)	(172)	8

RATIOS			
Particulars	FY24	FY25	FY26
Profitability			
Return on Capital Employed	20.7%	17.4%	20.2%
Return on Equity	23.7%	20.5%	19.0%
Margin Analysis			
Gross Margin	23.0%	21.7%	25.5%
EBITDA Margin	7.0%	7.7%	9.9%
Net Profit Margin	3.7%	4.0%	4.8%
Short-Term Liquidity			
Current Ratio (x)	1.1	1.0	1.0
Quick Ratio (x)	0.6	0.5	0.5
Days Sales Outstanding	28	36	36
Days Inventory Outstanding	41	61	65
Days Payables	34	67	72
Fixed asset turnover (x)	5.1	4.4	3.4
Debt-service coverage (x)	0.4	0.3	0.4
Long-Term Solvency			
Total Debt / Equity (x)	1.1	1.2	0.8
Interest Coverage Ratio (x)	3.5	3.4	3.6
Valuation Ratios*			
EV/EBITDA (x)	11.9	9.3	6.4
P/E (x)	18.2	12.6	9.5
P/B (x)	4.3	2.6	1.8
EV/Sales (x)	0.8	0.7	0.6
Market Cap/Sales (x)	0.7	0.5	0.5

**Valuation ratios are based on pre-issue capital at the upper price band*

Source: RHP, SBICAP Securities Research

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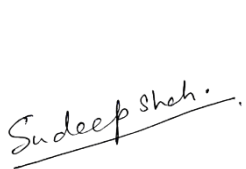
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