IPO NOTE

Issue Details
Price Band: Rs.313 to Rs.330
Issue Opens on: Oct 27, 2026 Issue Closes on: Oct 29, 2026
Lot Size: 45 Shares & in Multiples thereafter

Issue Highlights	
Issue Size:	Rs.667.53
No of Shares:	2,02,28,204
Face Value:	Rs. 2/-

Offer Structure	
Issuance	**Rs. in Cr.**
Fresh Issue	150.00
Offer for Sale	517.53
Total	**667.53**

Issue Breakup		
Reservation for	**% of Issue**	**Rs. in Cr. (at upper band)**
QIB	50	333.77
HNI	15	100.13
RETAIL	35	233.64
TOTAL	**100**	**Rs. 667.53**

Listing
BSE & NSE

Lead Managers
- IIFL Capital Services Ltd. - JM Financial Ltd. - Nuvama Wealth Management Ltd.

Registrar
MUFG Intime India Pvt. Ltd.

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COMPANY OVERVIEW

SFC Environmental Technologies, incorporated in 2005, is an environmental technology company offering technologies and engineering solutions in wastewater treatment (WWT), wastewater recycling & reuse (WRR) and solid waste treatment (SWT). Its proprietary C-Tech sequencing batch reactor (SBR) technology has been deployed in 728 installations treating 17,511 MLD of wastewater as of July 31, 2026, with over 80% share of India's SBR market. In WRR, it offers ultrafiltration, CCRO and MBR-based plants under an exclusive supply arrangement with DuPont, with a WRR order book of Rs. 561 crore as on August 31, 2026. In SWT, its proprietary OREX technology runs two integrated plants in Goa (up to 425 TPD), and subsidiary HWTPL has secured compressed biogas plant orders worth Rs. 501.70 crore from a government-owned oil company.

HIGHLIGHTS

- SBR technology leader: 728 WWT installations with over 80% share of India's SBR wastewater treatment market as of July 31, 2026.
- Vertically integrated: key C-Tech and OREX components built through in-house production, strategic partnerships and acquisitions.
- Solid waste treatment play: designs, builds and operates two integrated SWT facilities in Goa with up to 425 TPD capacity.
- Repeat business, strong order book: 91.98% of FY2026 revenue from repeat customers; order book of Rs. 1,570.07 crore (June 30, 2026).
- Consistent profitability: FY2026 PAT of Rs. 160.21 crore at a 19.94% PAT margin, with net debt/equity of just 0.05x.

OBJECTS OF THE ISSUE

The Fresh Issue of Rs. 150 crore will be used for prepayment of certain borrowings of the Company and its wholly owned subsidiary, Vasudha Waste Treatment Pvt. Ltd. (Rs. 42.23 crore), funding working capital requirements in FY2027 (Rs. 74.92 crore) and general corporate purposes. The Offer for Sale of 1,56,82,750 shares (Rs. 517.53 crore at the upper band) is by the Promoter and Other Selling Shareholders; the Company will not receive any OFS proceeds.

OUR VIEW

SFC has grown Total Income at a **10.2% CAGR** to **Rs. 821 crore in FY2026** and PAT at a **5.4% CAGR** to **Rs. 160 crore**, while sustaining **Operating EBITDA margins of 29-30%**, far above listed peers (Thermax 9.6%, Ion 7.2%). Its moat lies in its proprietary C-Tech technology (**80%+ SBR market share**, 728 installations) and a sticky customer base (**92% repeat revenue**). The order book has nearly tripled to **Rs. 1,570 crore (2x FY2026 revenue)**, led by new CBG and WRR orders. At the upper band of Rs. 330, the issue is valued at a post-issue market cap of **Rs. 3,233 crore**, i.e. **20x FY2026 diluted EPS** and **3.8x book value**, at a sharp discount to the peer average P/E of 101.38x. Given the reasonable valuation, high margins and strong order visibility, we recommend to **Subscribe for the long term**.

Brief Financials

(Rs. in Million) * P/E at upper price band of Rs. 330

Particulars	FY2024	FY2025	FY2026
Total Income	6,767.44	7,269.63	8,212.73
Total Expenditure	4,857.04	5,215.91	6,105.27
Operating EBITDA	1,932.54	2,074.80	2,358.12
Profit Before Tax	1,934.47	2,052.39	2,114.88
Profit After Tax	1,441.73	1,520.08	1,602.13
E.P.S. (Diluted)	15.16	15.42	16.52
P/E (Diluted)*	21.77x	21.40x	19.98x
RONW / RoE	30.46%	24.36%	21.25%

PRICE CHART (@ Rs.330) (Retail Category)

LOT SIZE	Amount
45	14,850
90	29,700
135	44,550
180	59,400
225	74,250
270	89,100
315	1,03,950
360	1,18,800
405	1,33,650
450	1,48,500
495	1,63,350
540	1,78,200
585	1,93,050

HNI Payment Chart

Category	No. of Shares	Minimum Bid Lot Amount(Rs.)
Small HNI	630	2,07,900
Big HNI	3,060	10,09,800

Indicative Time Table

Tentative Events	Indicative Dates
Finalisation of Basis of Allotment with the Designated Stock Exchange	30/10/2026
Initiation of refunds/unblocking ASBA Fund	2/11/2026
Credit of Equity Shares to demat accounts of Allottees	2/11/2026
Commencement of trading of the Equity Shares on the Stock Exchanges	3/11/2026

For more details, Please refer RHP

https://www.sebi.gov.in/filings/public-issues/oct-2026/sfc-environmental-technologies-ltd-rhp_105380.html

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