



# IPO INSIGHTS



## Vraj Iron and Steel Limited

**Issue Dates - Opens: 26-06-2024 | Closes: 28-06-2024**

<b>IPO Note</b>	<ol style="list-style-type: none"> <li>Vraj Iron and Steel Limited manufactures Sponge Iron, M.S. Billets, and TMT bars under the brand Vraj.</li> <li>Their product offerings such as Sponge Iron, TMT Bar, MS Billets and by-products Dolochar, Pellet and Pig Iron cater to a mix of customers that consist of industrial customers and end-users.</li> </ol>
<b>Rating</b>	★★★(Good)

### IPO SNAPSHOT

Issue Size	₹171 Crores
Issue Type	Book Built Issue IPO
Fresh Issue	₹171 Crores
Offer for Sale	-
Face Value Per Share	₹10
Price Band Per Share	₹195 to ₹207
Minimum Lot Size	72 shares
Listing On	BSE, NSE
Registrar to the Issue	Bigshare Services Pvt Ltd

# IPO SNAPSHOT – Vraj Iron and Steel Limited

## About the Company

- Incorporated in 2004
- The Company is engaged in manufacturing of Sponge Iron, M.S. Billets, and TMT bars under the brand Vraj.
- They currently operate through two manufacturing plants which are located at Raipur and Bilaspur in Chhattisgarh spread across 52.93 acres.
- Their manufacturing plant at Raipur also includes a captive power plant with an aggregate installed capacity of 5 MW, as of December 31, 2023.
- Their product offerings such as Sponge Iron, TMT Bar, MS Billets and by-products Dolochar, Pellet and Pig Iron cater to a mix of customers that consist of industrial customers and end-users.
- The company currently has a production capacity of 57,600 TPA of MS Billets, which its rolling mills can use to manufacture TMT Bars with a production capacity of 54,000 TPA.
- The Company runs two manufacturing plants in Raipur and Bilaspur, Chhattisgarh, covering 52.93 acres. As of March 31, 2023, the total installed capacity of the manufacturing plants was 231,600 tons per year, including intermediate and final products.

## Competitive Strengths

- Integrated and well-established manufacturing setup
- Manufacturing plants are strategically located, supported by robust architecture, leading to cost efficiencies and a stable supply chain
- Diversified product mix with strong focus on value added products
- Experienced Promoter, Board and management team
- Consistent track record of growth and financial performance

## Financials (₹ in Crores)

Particulars	31-3-2021	31-3-2022	31-03-2023	Y-o-Y
Revenue	290.70	414.04	515.67	25%
EBITDA	28.87	49.32	79.56	61%
EBITDA Margin	9.9%	11.9%	15.4%	
PAT	10.98	28.70	53.99	88%
PAT Margin	3.8%	6.9%	10.5%	

## Valuation

- Attributing Annualized FY23 Earnings asking P/E = 9.48

## Peers

Company Name	P/E ratio
Sarda Energy and Minerals Limited	1.33
Godawari Power and Ispat Limited	18.56
Shyam Metalics and Energy Limited	19.81

Note : P/E ratio is calculated as closing share price as on 21st June,2024.

## Promoters

- Vijay Anand Jhanwar & Kusum Lata Maheshwari
- Gopal Sponge and Power Private Limited
- V.A. Transport Private Limited & Kirti Ispat Private Limited
- Bhinaswar Commercial Private Limited and Utkal Ispat Private Limited

## Objects of the issue

- Funding for Capital Expenditure towards the "Expansion Project" at Bilaspur Plant
- Repayment or prepayment of borrowings from HDFC Bank obtained by the company for the capital expenditure towards the "Expansion Project" at Bilaspur Plant
- Capital expenditure towards the "Expansion Project" at Bilaspur Plant.
- General Corporate Purposes

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