



Scoda Tubes Limited

Issue Opens - May 28, 2025 to May 30, 2025

Price Band
₹130 to ₹140

Face Value
₹10

Issue Size
₹220.00 Cr

Lot Size
100 Shares

Listing At
NSE, BSE

Issue Size

1,57,14,286 shares / ₹220.00 Cr

Fresh Issue

1,57,14,286 shares / ₹220.00 Cr

Offer for Sale

N/A

Retail Quota

Min. 35% of the Issue Size

Tentative Allotment

Mon, Jun 2, 2025

Initiation of Refunds

Tue, Jun 3, 2025

Credit of Shares to Demat

Tue, Jun 3, 2025

"Scoda Tubes" Listing Day

Wed, Jun 4, 2025



Objects of The Offer

The Company proposes to utilize the Net Proceeds towards funding the following objects :

- 1.Capital expenditure towards expanding production capacity of seamless and welded tubes and pipes.
2. Funding the part incremental working capital requirements of the Company
3. General corporate purposes.

Brief profile of the Directors

- 1.**Samarth Patel** has been designated as the Chairman and Whole-time Director of the Company and is recognized as one of its promoters. A bachelor's degree in science from Yashwantrao Chavan Maharashtra Open University has been earned by him. Over five years of experience in the steel industry has been gained by him, and export sales and marketing are being overseen by him since his appointment on December 29, 2017.
- 2.**Jagrutkumar Patel** has been appointed as the Managing Director and is also listed among the promoters. A bachelor's degree in computer engineering was obtained by him from Kalol Institute of Technology & Research Centre, Gujarat University. Over ten years of experience in construction and real estate has been acquired by him. Since September 26, 2016, he has been associated with the Company, overseeing domestic sales and marketing.
- 3.**Saurabh Patel** has been named as the Non-Executive Director. A bachelor's degree in commerce has been earned by him. Project development is being overseen by him since December 31, 2020.
- 4.**Vipul Patel** has been appointed as an Independent Director of the Company since September 10, 2024. He is qualified with degrees in chemical engineering and business administration. He was formerly employed at Hindalco Industries Limited and later joined IIMA Ventures, where he is currently serving as Partner - Seed Investing.
- 5.**Neha Soni** has been designated as an Independent Director of the Company. She is professionally qualified in law, commerce, and company secretarial practice, with prior experience at Gyscoal Alloys and Jindal Worldwide.

About The Company and Business Overview



Scoda Tubes Limited is a specialized manufacturer of stainless steel tubes and pipes in India, with over 14 years of experience. The company produces and exports a diverse range of stainless steel products, focusing on both seamless and welded tubes and pipes. These products serve critical industrial applications requiring high strength, corrosion resistance, and precision.

Key Product Segments of Scoda Tubes Limited:

1. Stainless Steel Seamless Pipes

- Used in demanding applications such as oil and gas (onshore/offshore), petrochemical transport, marine fluid systems, and power plants.
- Engineered for high strength, leak-free performance, and resistance to extreme temperatures and pressures.

2. Stainless Steel Seamless Tubes

- Precise dimensional control and corrosion resistance make them ideal for heat exchangers, condensers, feedwater heaters, and industrial cooling systems.

3. Stainless Steel Seamless "U" Tubes

- Bent tubes designed for heat exchangers, boilers, and superheaters where space efficiency and thermal conductivity are critical. Suitable for both horizontal and vertical mounting.

4. Stainless Steel Instrumentation Tubes

- High-precision tubes for signal lines, pressure measurement, and chemical dosing systems. Used in nuclear energy, automotive, medical, and aerospace industries where accuracy and reliability are essential.

5. Stainless Steel Welded Tubes and "U" Tubes

- Cost-effective solutions for medium-pressure systems requiring internal cleanliness and corrosion resistance. Common in chemical processing, gas pipelines, air preheaters, and feedwater heaters.



Operational Metrics

Set out in the table below are the breakdown of their revenues from operations by domestic sales and exports for Fiscals 2024, 2023 and 2022 based on their Restated Financial Information during the Fiscals 2024, 2023 and 2022:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operation	Amount (in ₹ million)	% of total revenue from operations
Domestic Sales	3,166.37	79.19%	2,110.07	69.15%	1,348.14	69.48%
Exports	832.24	20.81%	941.21	30.85%	592.14	30.52%
Total	3,998.61	100.00%	3,051.28	100.00%	1,940.28	100.00%

Set out in the table below are the breakdown of their revenues from operations by types of Products sold for Fiscals 2024, 2023 and 2022 based on their Restated Financial Information during the Fiscals 2024, 2023 and 2022:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operation	Amount (in ₹ million)	% of total revenue from operations
Seamless products	3132.86	78.35%	2833.29	92.86%	1699.34	87.58%
Welded products	15.73	0.39%	70.39	2.31%	125.45	6.47%
Others*	823.27	20.59%	133.29	4.37%	115.33	5.94%
Total	3971.87	99.33%	3036.97	99.53%	1940.13	99.99%

*Others includes the sale of Mother hollow and scrap.

Strengths



- **Strong Financial Performance and Growth:** The company has shown robust revenue growth, increasing from around ₹194 crore in FY22 to nearly ₹400 crore in FY24 (CAGR ~27%), with profit after tax rising sharply from ₹1.6 crore to ₹18.3 crore (CAGR ~124%). Its Return on Net Worth (RoNW) stands at an impressive 28.77%, higher than many larger peers, indicating efficient capital utilization.
- **Niche Focus on Stainless Steel Tubes and Pipes:** Specializes exclusively in stainless steel seamless and welded tubes and pipes, enabling deep expertise, customization, and consistent product quality.
- **Integrated Manufacturing Facility and Backward Integration:** Owns a hot piercing mill producing mother hollow (key raw material for seamless tubes), reducing dependence on suppliers and enhancing cost efficiency.
- **Global Certifications and Quality Control:** Holds multiple international accreditations (ISO, PED, AD 2000, IBR, DNV), ensuring compliance with global quality and safety standards. The company maintains rigorous quality checks throughout production, resulting in low rejection rates.
- **Diverse Customer Base and Export Markets:** Supplies a wide range of domestic industries (oil & gas, chemicals, power, pharmaceuticals, automotive, railways) and exports to over 16 countries including the US, Germany, Italy, and several European nations.
- **Growth Strategy:** Plans to use IPO proceeds for capacity expansion (especially welded pipes), working capital augmentation, and general corporate purposes, positioning itself for future growth.

Key Risk Factors

- **Customer Concentration Risk:** A significant portion of revenue comes from top 10 customers, with the largest contributing about 18.5%. The company operates mainly on purchase orders without long-term contracts, which may affect revenue stability.
- **Dependence on Select Stockists and Distributors:** Heavy reliance on exclusive stockists for domestic and international sales poses concentration risk. Any disruption in these partnerships could impact sales and financial performance.
- **Raw Material Price Volatility:** The company sources stainless steel round bars and coils from domestic suppliers. Fluctuations in raw material prices, linked to global steel and crude oil markets, can pressure profit margins.
- **Working Capital and Liquidity Constraints:** Increasing debtor days (from 62 to 82 days) and working capital cycle lengthening (151 to 162 days) may strain cash flows. The current ratio has declined, indicating reduced short-term liquidity.
- **Geopolitical, Trade, and Regulatory Risks:** Exposure to international markets subjects the company to geopolitical tensions, trade barriers, customs duties, and regulatory changes that could impact exports and raw material access.

Statement of Profit and Loss



BELRISE INDUSTRIES LIMITED

(All amounts are in Indian Rupees millions, unless otherwise stated)

Particulars	For the Year ended March 31 2024	For the Year ended March 31 2023	For the Year ended March 31 2022
Income			
Revenue from operations	3,998.61	3,051.28	1,940.28
Other income	26.27	26.57	10.25
Total income	4,024.88	3,077.85	1,950.53
Expenses			
Cost of raw materials and components consumed	2,855.18	2,474.51	1,811.42
Changes in inventories of finished goods and work-in-progress	-235.48	-348.39	-200.61
Employee benefits expense	73.69	54.79	28.72
Finance costs	190.92	115.88	71.75
Depreciation and amortisation expense	163.87	114.77	15.29
Other expenses	717.31	522.53	200.86
Total Expenses	3,765.49	2,934.09	1,927.43
Profit before exceptional items and tax	259.39	143.76	23.1
Profit before tax	259.39	143.76	23.1
Current tax	68.9	41.46	7.18
Deferred tax	7.49	-1.11	-0.49
Profit after tax	183	103.36	16.36
Other comprehensive income			
Earnings per share:			
- Basic earnings per share (Nominal value of share ₹ 10 (₹ 10))	4.6	2.6	0.72
- Diluted earnings per share (Nominal value of share ₹ 10 (₹ 10))	4.6	2.6	0.72

Valuation and Outlook



Scoda Tubes Limited IPO is expected to be priced between **₹130 to ₹140** per share. At this price, the company is valued at Price-to-Earnings (P/E) ratio of **30.43x** whereas the industry average PE is **30.97x**.

Name of the Company	Market Price	Face Value	Revenue from Operations (₹ mn)	Basic EPS	Diluted EPS	P/E	Return on Networth (%)	NAV per Equity Share (₹)	Consolidated or standalone
Scoda Tubes Limited	-	10	3,998.61	4.6	4.6	-	28.77%	15.99	Standalone
Ratnamani Metals & Tubes Limited	3,640.65	2	50,590.90	89.18	89.18	40.8	19.90%	448.87	Consolidated
Venus Pipes & Tubes Limited	2,168.90	10	8,021.98	42.36	42.36	51.2	21.17%	200.05	Standalone
Welspun Specialty Solutions Limited	52.83	6	6,966.70	1.18	1.18	44.8	67.11%	1.76	Standalone
Sunaj Limited	445.4	10	3,306.65	11.72	11.72	38	17.57%	66.74	Consolidated

Scoda Tubes Limited (STL), a manufacturer of stainless-steel tubes and pipes, is witnessing growing demand and is planning capacity expansion to capitalize on emerging opportunities. The company has shown consistent top- and bottom-line growth, signaling positive future prospects. With technical expertise, backward integration, and international certifications, STL is well-positioned in the precision stainless-steel segment. Its rising exports, focus on high-margin seamless products, and alignment with industrial growth enhance scalability. Though cash flow efficiency and distributor dependency remain key concerns, STL's steady profitability, expansion backed by assets, and favorable sector trends support its long-term outlook.

"Call us on 8448899576" to find out whether or not you should apply.

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