

<b>Retail Research</b>	<b>IPO Note</b>
<b>Sector: Metals - Recycling</b>	<b>Price Band (Rs): 182 – 192</b>
<b>02<sup>nd</sup> June 2026</b>	<b>Recommendation: SUBSCRIBE</b>

## CMR Green Technologies Ltd

### Company Overview:

**CMR Green Technologies Ltd. (CGTL)** is a leading non-ferrous metal recycling company and holds the highest market share in the Indian secondary aluminium market in terms of revenue. The company manufactures recycled (i) aluminium alloys (in ingot and liquid form), (ii) zinc alloy ingots, (iii) dross and (iv) segregated furnace ready scrap of stainless steel/copper/brass/zinc/lead/magnesium, among others. During FY25, the company held a market share of ~10-12% in the domestic recycled aluminium industry, in terms of volumes sold.

### Key Highlights:

**1. Largest player (by capacity) in the domestic aluminium recycling industry:** As mentioned before, CGTL held the highest market share in the domestic secondary aluminium market, in terms of revenue in FY25. The company carries a capacity advantage over domestic players, by virtue of its 4,70,300 MTPA installed capacity, which is around 4x of the nearest competitor. CGTL derives majority of its revenue from the automotive industry where it held an estimated market share of ~42%-45% in the cast alloys segment during FY25. Its customers primarily include OEMs like Maruti Suzuki, Bajaj Auto, etc., & Tier 1 suppliers such as Rockman Industries, Craftsman Automation, etc.

**2. Expansion into Wrought Aluminium:** The company's next phase of growth will be driven by the expansion into wrought aluminium used for extrusions, sheets and foils. CGTL has commenced billet production for extrusions through its dedicated 40 KTPA plant in Tirupati, expanding its product portfolio beyond its core automotive end-market. In FY25, the total recycled aluminium consumption was 2.16 million tonnes (mnt) in India. Of which, 1.01 mnt (46.7%) was from the cast alloy segment, 0.59 mnt (27.5%) was in rolled segment and 0.34 mnt (15.6%) was in extrusion segment.

**3. Prominent supplier of Liquid aluminium alloy:** The company had first commenced liquid aluminium supplies through its manufacturing facilities situated adjacent to the customer's premises (2008), and then started supplies through road transport (2013). Typically, molten delivery offers total estimated savings of 6-7% compared to solid ingots. However, it cannot be stored and transportation is feasible only within a 20-25 km radius & a travel time of 45-60 minutes. Hence, in India, the supply of liquid aluminium is limited to only a select group of players owing to the high technical expertise, infrastructure, and operational precision requirements. CGTL has set up a 48 KTPA plant in Odisha, built for Hindalco Industries, which will produce liquid aluminium with the first phase already online in 2025 and the second phase expected in 2028. This project is backed by a guaranteed cost-plus pricing model through a long-term contract, which provides revenue visibility for the company.

**4. Globally diversified raw material sourcing:** One of the critical factors in the metal recycling business is the ability to source metal scrap. Due to the low availability of aluminium scrap in India, CGTL procures scrap from around 198 global suppliers from 73 countries including US, UK, New Zealand, etc. Given the increasing global consumption of metal-intensive products globally, combined with rapid urbanization and growing emphasis on circular economy, the outlook for scrap availability remains optimistic.

**Valuation:** CGTL is a leading non-ferrous metal recycling company and the largest player (by capacity) in the Domestic Aluminium recycling industry. The company uses derivative financial instruments such as forward exchange contracts to hedge risks associated with these foreign currency and commodity price fluctuations. Further, the company is well placed to capitalize on strong sector tailwinds, with India Recycled Aluminium Market - Sales volume (mnt) and India Recycled Aluminium Market (USD bn) to grow at a CAGR of 11.2%/13.2% from FY26E-FY30E. At the upper price band of Rs 192, the issue is valued at a P/E of 27.1x/20.3x based on FY25 and annualized 9MFY26 earnings respectively, on a post-issue basis. We recommend investors to SUBSCRIBE to the issue at the cut-off price.

Issue Details	
Date of Opening	03 <sup>rd</sup> June 2026
Date of Closing	05 <sup>th</sup> June 2026
Price Band (Rs)	182 – 192
Offer for sale (Rs cr)	631
Fresh Issue (Rs cr)	-
Issue Size (Rs cr)	631
No. of shares	3,28,58,323 @upper price band
Face Value (Rs)	2
Post Issue Market Cap (Rs cr)	3,987 – 4,206
BRLMs	Equirus Capital Ltd, ICICI Securities Ltd, Motilal Oswal Investment Advisors Ltd
Registrar	KFin Technologies Ltd
Bid Lot	78 shares and in multiple thereof
QIB shares	50%
Retail shares	35%
NII shares	15%

Shareholding Pattern		
Pre-Issue	No. of Shares	%
Promoter & Promoter Group	19,04,66,039	86.9
Public & Others	2,85,89,450	13.1
<b>Total</b>	<b>21,90,55,489</b>	<b>100.0</b>

Post Issue @ Upper Price Band	No. of Shares	%
Promoter & Promoter Group	18,40,06,611	84.0
Public & Others	3,50,48,878	16.0
<b>Total</b>	<b>21,90,55,489</b>	<b>100.0</b>

Selling shareholders (OFS)	Classification	No. of shares
Mohan Agarwal	Promoter	49,59,428
Gauri Shankar Agarwala HUF	Promoter Group	10,00,000
Mohan Agarwal HUF	Promoter Group	5,00,000
Global Scrap Processors Ltd	Public	2,63,98,895
<b>Total</b>	-	<b>3,28,58,323</b>

Source: RHP, SSL Research

## Key Financials

Particulars (Rs cr)	FY23	FY24	FY25	9MFY26
Revenue from operations	5,869	5,952	6,666	6,276
EBITDA	207	217	304	324
PAT	105	(839)	155	162
Adj. PAT	105	401	155	162
EBITDA Margin (%)	3.5	3.7	4.6	5.2
PAT Margin (%)	1.8	6.7	2.3	2.6
RoE (%)	5.0	32.6	11.3	-
RoCE (%)	7.3	10.6	12.0	-
P/E (x)*	40.2	10.5	27.1	-
No. of manufacturing facilities	11	11	13	13

*\*Note: Pre-issue P/E based on upper price band  
Source: RHP, SSL Research*

## Risk Factors

- Dependence on key products:** The company derives a substantial portion of its revenue from the sale of Liquid Aluminium Alloys and Aluminium Alloy Ingots, which contributed a combined ~81.9% to the CGTL's revenue (excluding incentives) during 9MFY26. Thus, any loss of sales due to reduction in demand for these products could adversely affect the company's business.
- Customer concentration:** As of 9MFY26, the company's top 5/top 3 customers contributed ~32.5%/20.9% to the total revenue. Thus, the loss of any of these customers may adversely affect the company's business.
- Raw material import risk:** The company depends on third-party suppliers for the supply of scraps required for operations and sources majority of the total scrap requirement through imports. As of 9MFY26, the share of raw material imports and traded goods from the US stood at 49.8%. Hence, any restrictions, either from the central government or state government of India, or from countries which the company imports from, may adversely affect its business.
- Sharp decrease in Net Worth:** The company recorded a sharp decrease in Net Worth from Rs 1,195.2 cr in FY23 to Rs 317.5 cr in FY24 on account of write-off of the exceptional item (write-off of goodwill) to the tune of Rs 1,239.6 cr in FY24. However, the company's net worth increased from Rs 317.5 cr in FY24 to Rs 458.4 cr in FY25. The company may face similar kind of situation in the future and may encounter unforeseen expenses, difficulties, complications, delays and other unknown events. In case of further erosion of Net Worth in the future, investors could lose their investments and the market price of the equity shares could suffer.

## Growth Strategies

- Diversification into other metals such as lithium-ion batteries, copper and lead.
- Expand industry base by diversifying product & service portfolio to serve sectors beyond the core automotive market.
- Expansion of supply of wrought alloys and partnership with primary players.

## Revenue Split – Segment wise

Particulars	FY23		FY24		FY25		9MFY26	
	Rs cr	%**	Rs cr	%**	Rs cr	%**	Rs cr	%**
Aluminium	4,282	73.1%	4,576	77.0%	5,226	78.4%	5,096	81.9%
Other Metals*	1,573	26.9%	1,370	23.0%	1,438	21.6%	1,130	18.1%
<b>Total</b>	<b>5,856</b>	<b>100.0%</b>	<b>5,946</b>	<b>100.0%</b>	<b>6,664</b>	<b>100.0%</b>	<b>6,225</b>	<b>100.0%</b>

\*Includes zinc alloy ingots and segregated furnace ready scrap of stainless steel, copper, brass, zinc, lead and magnesium, amongst others

\*\* % of Revenue from operations excluding export incentives, government subsidy/other incentive

Source: RHP, SSL Research

## Revenue Split – End-user Industry

End-user Industry	FY23		FY24		FY25		9MFY26	
	Rs cr	%*	Rs cr	%*	Rs cr	%*	Rs cr	%*
Automotive	4,460	76.2%	4,710	79.2%	5,397	81.0%	5,218	83.8%
Non-automotive	1,396	23.8%	1,237	20.8%	1,267	19.0%	1,008	16.2%
<b>Total</b>	<b>5,856</b>	<b>100.0%</b>	<b>5,946</b>	<b>100.0%</b>	<b>6,664</b>	<b>100.0%</b>	<b>6,225</b>	<b>100.0%</b>

\* % of Revenue from operations excluding export incentives, government subsidy/ other incentive

Source: RHP, SSL Research

## Revenue Split – Domestic vs Exports

Particulars	FY23		FY24		FY25		9MFY26	
	Rs cr	%	Rs cr	%	Rs cr	%	Rs cr	%
Domestic	5,469	93.2%	5,672	95.3%	6,564	98.5%	6,119	97.5%
Exports	400	6.8%	281	4.7%	103	1.5%	157	2.5%
<b>Total</b>	<b>5,869</b>	<b>100.0%</b>	<b>5,952</b>	<b>100.0%</b>	<b>6,666</b>	<b>100.0%</b>	<b>6,276</b>	<b>100.0%</b>

Source: RHP, SSL Research

## Exports Revenue Split (%) – Countries

Country	FY23	FY24	FY25	9MFY26
Japan	68.7%	80.0%	49.6%	35.4%
China	16.9%	13.0%	20.8%	43.8%
Others	14.3%	6.9%	29.7%	20.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: RHP, SSL Research

## Segment wise Installed Capacity (MT)

Particulars	FY23	FY24	FY25	FY26E
Aluminium Alloy	3,29,000	3,42,800	3,86,000	4,70,300
Zinc Alloy	8,400	8,400	8,400	8,400
Other Metals	1,23,250	1,23,250	1,26,550	1,36,450
<b>Total</b>	<b>4,60,650</b>	<b>4,74,450</b>	<b>5,20,950</b>	<b>6,15,150</b>

Source: RHP, SSL Research

## Quantity of volumes supplied (ratio of overall volumes)

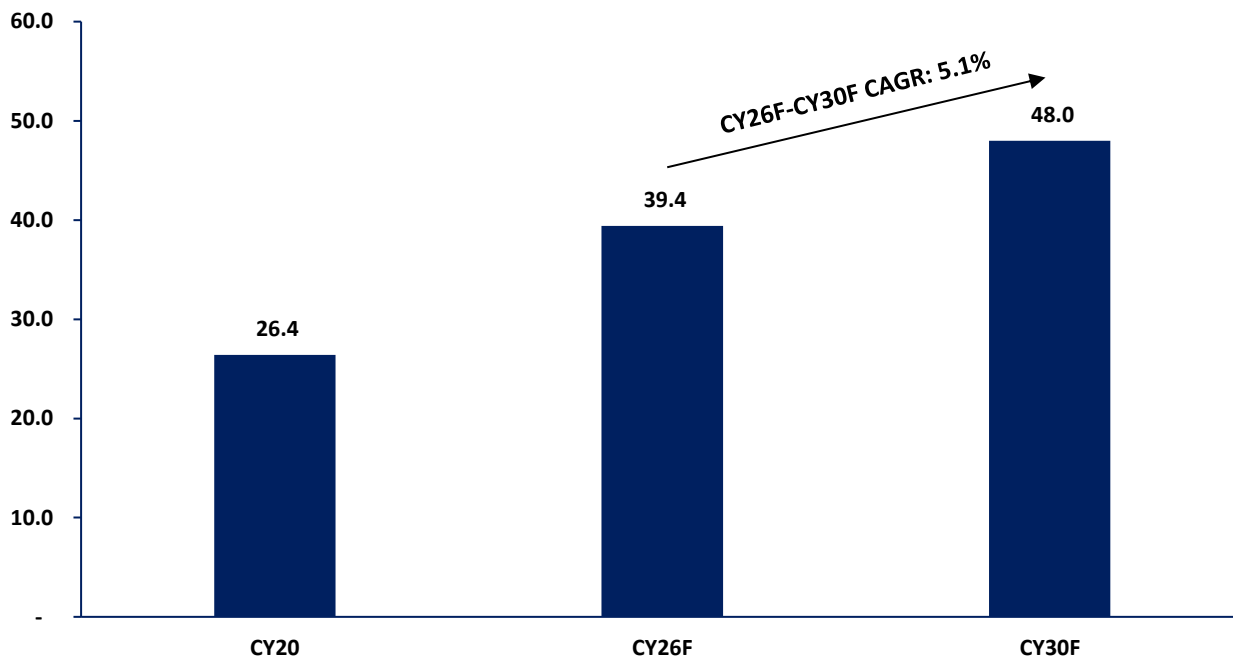
Particulars	FY23	FY24	FY25	9MFY26
Liquid aluminium alloys	32.0%	36.2%	39.2%	37.0%
Aluminium alloy ingots	32.9%	31.7%	31.0%	35.1%
Zinc alloys	1.7%	1.6%	1.7%	1.3%
Segregated furnace ready scrap*	28.2%	25.5%	22.9%	21.4%
Dross	5.1%	5.0%	5.2%	5.3%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

\*Segregated furnace ready scrap of stainless steel, copper, brass, zinc, lead and magnesium, amongst others

Source: RHP, SSL Research

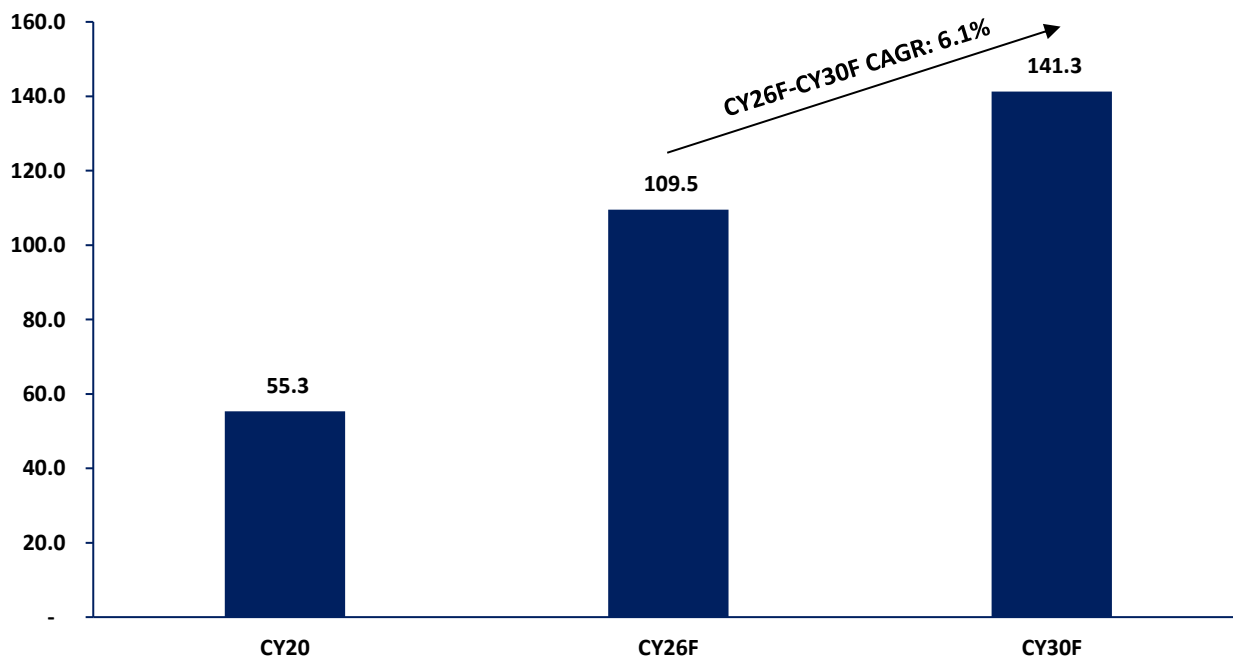
# Industry Overview

**Global Recycled Aluminium Market - Sales volume (mnt)**



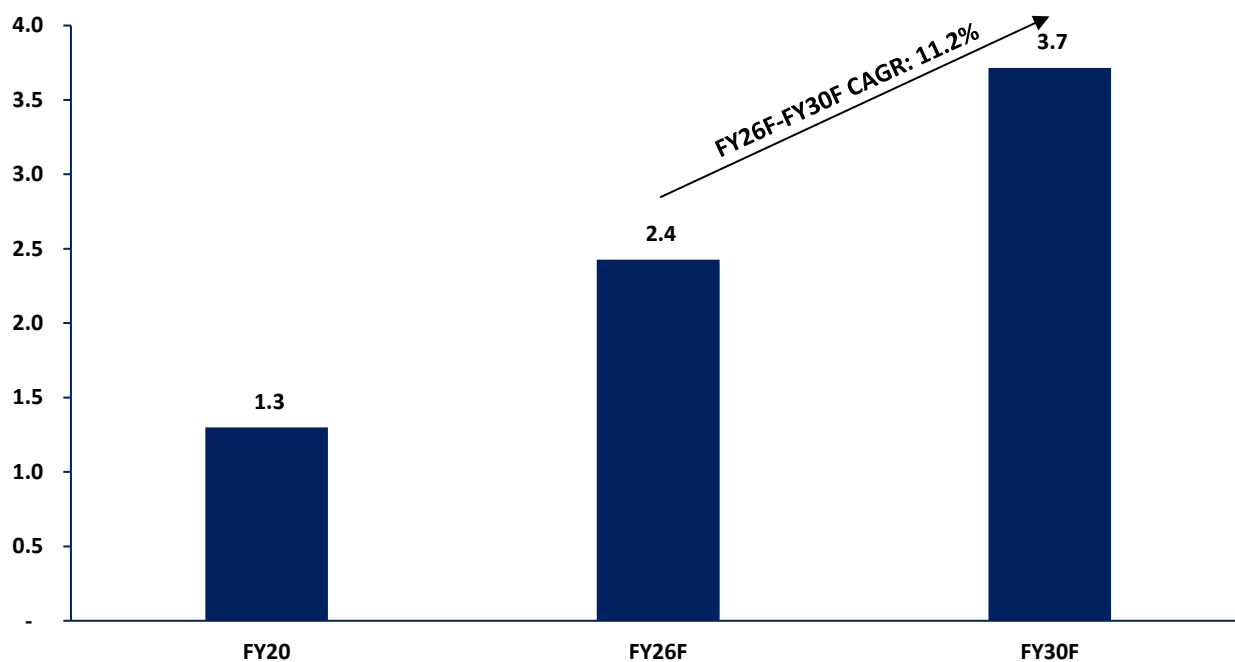
Source: RHP, SSL Research

**Global Recycled Aluminium Market (USD bn)**



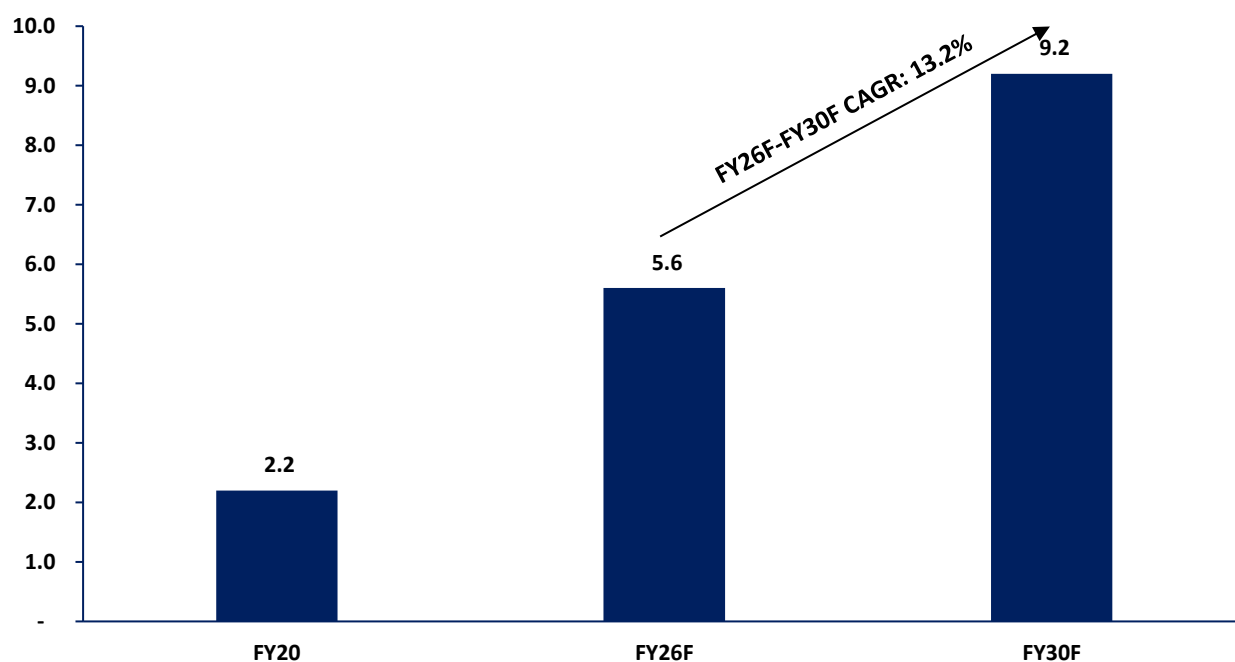
Source: RHP, SSL Research

### India Recycled Aluminium Market - Sales volume (mnt)



Source: RHP, SSL Research

### India Recycled Aluminium Market (USD bn)



Source: RHP, SSL Research

## Financial Snapshot

INCOME STATEMENT				
Particulars (Rs cr)	FY23	FY24	FY25	9MFY26
Revenue from Operations	5,869	5,952	6,666	6,276
YoY growth (%)	-	1.4%	12.0%	-
COGS (incl Stock Adj)	5,242	5,311	5,883	5,520
Gross Profit	626	642	784	756
Gross margins (%)	10.7%	10.8%	11.8%	12.0%
Employee Cost	121	129	145	135
Other Operating Expenses	298	295	335	297
EBITDA	207	217	304	324
EBITDA margins (%)	3.5%	3.7%	4.6%	5.2%
Other Income	21	16	30	15
Interest Exp.	43	54	61	67
Depreciation	47	50	63	57
PBT	138	130	210	216
Exceptional item	-	(1,240)	-	-
Tax	33	(272)	50	51
Share of profit of associates and JVs	(0)	(1)	(5)	(3)
Minority Interest	-	-	-	-
PAT	105	(839)*	155	162
PAT margin (%)	1.8%	-14.1%	2.3%	2.6%
EPS (Rs)	4.8	(38.3)	7.1	7.4
Adj. PAT	105	401	155	162
Adj. PAT margin (%)	1.8%	6.7%	2.3%	2.6%
Adj. EPS	4.8	18.3	7.1	7.4

\*PAT is negative in FY24 on account of an exceptional item of Rs 1,239.6 cr created on account of impairment of goodwill.

BALANCE SHEET				
Particulars (Rs cr)	FY23	FY24	FY25	9MFY26
<b>Assets</b>				
Net Block	426	549	602	699
Capital WIP	43	26	150	70
Right of use assets	46	63	65	64
Intangible Assets	0	2	2	2
Goodwill	1,240	-	-	-
Other Non-current Assets	119	133	125	257
<b>Current Assets</b>				
Inventories	617	620	827	1,192
Trade receivables	554	627	788	885
Cash and Bank Balances	37	7	8	6
Short-term loans and advances	0	1	1	2
Other Current Assets	269	167	248	473
<b>Total Current Assets</b>	<b>1,477</b>	<b>1,422</b>	<b>1,871</b>	<b>2,557</b>
<b>Current Liabilities &amp; Provisions</b>				
Trade payables	315	178	231	247
Other current liabilities	71	80	103	262
Short-term provisions	6	6	3	4
<b>Total Current Liabilities</b>	<b>391</b>	<b>264</b>	<b>338</b>	<b>513</b>
<b>Net Current Assets</b>	<b>1,086</b>	<b>1,158</b>	<b>1,534</b>	<b>2,044</b>
<b>Total Assets</b>	<b>2,960</b>	<b>1,931</b>	<b>2,478</b>	<b>3,137</b>
<b>Liabilities</b>				
Share Capital	44	44	44	44
Reserves and Surplus	2,065	1,188	1,329	1,465
<b>Total Shareholders Funds</b>	<b>2,109</b>	<b>1,232</b>	<b>1,373</b>	<b>1,508</b>
Minority Interest	129	135	149	202
<b>Total Debt</b>	<b>368</b>	<b>499</b>	<b>894</b>	<b>1,303</b>
Long Term Provisions	5	7	12	14
Lease Liabilities	19	37	31	31
Other Long Term Liabilities	0	0	1	1
Net Deferred Tax Liability	330	22	19	78
<b>Total Liabilities</b>	<b>2,960</b>	<b>1,931</b>	<b>2,478</b>	<b>3,137</b>

Cash Flow Statement (Rs cr)	FY23	FY24	FY25
Cash flow from Operating Activities	611	74	(92)
Cash flow from Investing Activities	(96)	(134)	(235)
Cash flow from Financing Activities	(484)	31	326
Free Cash Flow	491	(69)	(330)

RATIOS			
Particulars	FY23	FY24	FY25
<b>Profitability</b>			
Return on Assets	3.1%	18.3%	5.5%
Return on Capital Employed	7.3%	10.6%	12.0%
Return on Equity	5.0%	32.6%	11.3%
<b>Margin Analysis</b>			
Gross Margin	10.7%	10.8%	11.8%
EBITDA Margin	3.5%	3.7%	4.6%
Net Profit Margin	1.8%	6.7%	2.3%
<b>Short-Term Liquidity</b>			
Current Ratio (x)	2.1	2.3	1.8
Quick Ratio (x)	1.2	1.3	1.0
Avg. Days Sales Outstanding	34.4	38.5	43.1
Avg. Days Inventory Outstanding	43.0	42.6	51.3
Avg. Days Payables	20.3	11.3	13.3
Fixed asset turnover (x)	13.8	10.8	11.1
Debt-service coverage (x)	0.4	0.3	0.3
<b>Long-Term Solvency</b>			
Total Debt / Equity (x)	0.2	0.4	0.7
Interest Coverage Ratio (x)	4.2	3.4	4.4
<b>Valuation Ratios*</b>			
EV/EBITDA (x)	21.9	21.6	16.8
P/E (x)	40.2	10.5	27.1
P/B (x)	2.0	3.4	3.1
EV/Sales (x)	0.8	0.8	0.8
P/Sales (x)	0.7	0.7	0.6

*\*Valuation ratios are based on pre-issue capital at the upper price band  
Source: RHP, SSL Research*

## Peer Comparison – FY26

Particulars (Rs cr)	CMR Green Technologies Ltd*	Gravita India Ltd	Pondy Oxides & Chemicals Ltd	Jain Resource Recycling Ltd
CMP (Rs)	192	1,629	1,337	367
Sales	8,889	4,265	2,958	9,543
EBITDA	405	435	211	558
Net Profit	207	379	133	352
Mkt Cap.	4,206	12,022	4,080	12,649
Enterprise Value	5,092	12,553	4,221	13,682
EBITDA Margin (%)	4.6	10.2	7.1	5.8
Net Profit Margin (%)	2.3	8.9	4.5	3.7
P/E (x)	20.3	31.7	30.7	35.9
EV/EBITDA (x)	12.6	28.9	20.0	24.5
RoE (%)	13.3	15.5	16.9	22.5
RoCE (%)	14.8	13.7	22.4	19.7
EV/Sales (x)	0.6	2.9	1.4	1.4

For CMR Green Technologies Limited, the Market Cap, P/E(x), EV/EBITDA (x), EV/Sales (x) are calculated on post-issue equity share capital based on the upper price band.

\*The figures presented for CMR Green Technologies Limited are based on annualized 9MFY26 earnings.

CMP for peer companies is live price as on 02nd June, 2026

Source: RHP, Exchange Filings, SSL Research

**SBICAP Securities Limited**

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Research Analyst: INH000000602 | IRDA: CA0103 | PFRDA Registration No: POP 26092018

**Registered & Corporate Office:** Marathon Futurex, Unit No. 1201, B-Wing, 12th Floor, N M Joshi Marg,  
Mafatlal Mill Compound, Lower Parel East, Mumbai 400013 .

For any information contact us: **(022) 6854 5555 | E-mail: [helpdesk@sbicapsec.com](mailto:helpdesk@sbicapsec.com) | Web: [www.sbisecurities.in](http://www.sbisecurities.in)**

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Name	Qualification	Designation
Sudeep Shah	MMS-Finance	VP- Technical & Derivative Research
Sunny Agrawal	B.E, MBA (Finance)	DVP - Fundamental Research
Rajesh Gupta	PGDBM (Finance), MA (Bus. Eco)	AVP - Fundamental Research
Monica Chauhan	C.A.	Research Analyst - Equity Fundamentals
Harsh Vasa	C.A.	Research Analyst - Equity Fundamentals
Sumeet Shah	B.E., CFA	Research Analyst - Equity Fundamentals
Shubham Purohit	BMS (Finance)	Research Associate - Equity Fundamentals
Vinit Mishra	B.Com	Research Associate - Equity Fundamentals
Gautam Upadhyaya	MBA (Finance)	Research Analyst - Equity Derivatives
Vinayak Gangule	BE (IT)	Research Analyst - Equity Technicals
Ashwin Ramani	B.Com	Research Analyst- Equity Technicals
Sagar Peswani	B.Tech (ECE)	Research Associate - Equity Technicals
Kalpesh Mangade	B.Com	MIS Analyst - Retail Research

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**Sudeep Shah**

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