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CM RATING 42 /100

# CMR Green Technologies

## Capitalizing on aluminium recycling

### Leading non-ferrous metal recycler in India by installed capacity

CMR Green Technologies (CMRG) is engaged in the recycling of non-ferrous metals and produces secondary aluminium and zinc die-casting alloys. Basically, the company is involved in the recycling of aluminium alloys (as ingots and in liquid form), zinc alloy ingots, and furnace-ready scrap of metals like stainless steel, copper, brass, zinc, lead, and magnesium.

Along with non-ferrous metals, the firm also offers aluminium billets serving automotive and non-automotive sectors. These billets, made from recycled aluminium, are raw materials used in extrusion processes to create profiles for various applications. Honda Cars India Limited, Bajaj Auto, Hero MotoCorp, Royal Enfield Motors Limited, and India Yamaha Motor Private Limited are the major OEM customers of the company.

CMRG commenced operations in 2006, when it put up a technology plant at Tatarpur, near New Delhi. The plant deployed sophisticated technologies such as twin-shaft shredder, eddycurrent separator, high-capacity melting furnaces with metal circulation pump and de-coater. The company is currently operating 13 manufacturing plants, including five plants under three joint venture's (JVs) with Toyota Tsusho Corporation, Nikkei MC Aluminium and Nippon Light Metals.

As on December 31, 2025, the company has 784 permanent employees and 3,956 contractual workmen.

#### Object of the offer

The offer comprises a net offer for sale of up to 3,28,58,323 equity shares.

The offer for sale by the selling shareholders comprises up to 49,59,428 shares by Mohan Agarwal, up to 10,00,000 shares by Gauri Shankar Agarwal HUF, up to 5,00,000 by Mohan Agarwal HUF and up to 2,63,98,895 shares by Global Scrap Processors.

The company will not receive any proceeds from the offer and all the offer proceeds will be received by the selling shareholders, in proportion to the offered shares sold by the respective selling shareholders as part of the offer.

#### Strengths

One of the leading non-ferrous metal recycler in India by installed capacity, with the highest revenue market share in the secondary aluminium market as of FY2025. The company has a capacity advantage over domestic players, with an installed capacity of around 4 times of the nearest competitor in the domestic recycled aluminium space, as of March 31, 2025.

Strong position in liquid aluminium alloy supply, supported by specialised infrastructure and long operating experience.

The company has wide manufacturing footprint across India, serving customers in major automotive and industrial clusters. The company conducts its recycling operations at 13 strategically located recycling facilities in India providing the company the benefit of integrated and centralized operations. As of March 31, 2025, the company's installed capacity was 6,15,150 MTPA

The company has a geographically diversified business model with revenue from north, west, east and south India. Also, the company has a strong and diversified supplier base for sourcing raw materials. The company

has been procuring metal scrap from around 198 global suppliers from 73 countries excluding India, including, from the United States, United Kingdom, New Zealand, Australia, Europe, Africa, South Africa, Thailand and the UAE, among others for Fiscal 2025.

The company has entered strategic joint ventures with global Japanese partners, strengthening its manufacturing and recycling capabilities. The company has joint ventures with Toyota Tsusho Corporation (since 2012), with Nikkei MC Aluminium (since 2012) and with Nippon Light Metal (since 2025).

### Weaknesses

The company faces customer concentration risk as it derives more than 20% of its revenues from top 3 customers and more than 30% of the revenues from top 5 customers.

The company's ability to pass on raw material price increases is limited, considering the lead time of around four months from purchase of scrap metal to sales. Adverse movement in raw material prices will continue to impact operating profitability.

The company imports more than 50% of its raw materials as such margins are susceptible to fluctuation in foreign currency. Also, restrictions on import of raw materials into India or export of raw materials from the other jurisdiction may adversely impact business.

Experienced negative cash flows from operating activities in Fiscal 2024 and Fiscal 2025. Any similar negative cash flows from operating activities in future will affect the financial condition.

The company operates in a competitive recycled metals industry, and failure to compete effectively could affect performance.

The company does not enter into long term long term contracts with the customers.

The company enters into related-party transactions, and there is no assurance that such transactions are always on the most favourable terms available.

Loss of sales due to reduction in demand for products such as liquid aluminium alloys and aluminium alloy ingots could adversely affect the company's business.

Contingent liabilities as on December 31,2025 stood at Rs 127 crore.

### Valuation

Net profit stood at Rs 148.09 crore on net sales of Rs 6275.52 crore in the nine months ended December 2025.

Consolidated sales were up by 12.0% to Rs 6666.49 crore in Fiscal 2025. Growth in revenues was on account of higher production achieved at its manufacturing facilities and on account of better realization in sale of aluminium alloys. Operating profit margin (OPM) expanded from 3.65% to 4.56%, leading to a 39.7% increase in operating profit to Rs 303.72 crore. Other income inclined 88.6% to Rs 30.18 crore. Interest cost inclined 13.9% to Rs 61.21 crore and depreciation cost inclined by 26.4% to Rs 62.69 crore. PBT before EO stood at Rs 205.06 crore up 58.3% yoy. PBT after EO stood at Rs 205.06 crore as against loss of Rs 1110.09 crore in FY2024. Exceptional loss stood at Rs 1239.63 crore in FY2024 which was on account of impairment of non-cash goodwill. PAT stood at Rs 155.04 crore as against loss of Rs 838.56 crore in FY2024. NP after minority interest stood at Rs 142.46 crore as against loss of Rs 844.33 crore in FY2024.

At the higher price band of Rs 192, the offer is made at a P/E of 29.5 times FY2025 EPS (of Rs 6.5).

Listed peers include Pondy Oxides & Chemicals and Gravita India. In comparison Pondy Oxides & Chemicals trades at 28.45 times P/ FY2026 EPS and Gravita India trades at 31.9 times P/ FY2026 EPS.

<b>CMR Green technologies : Issue Highlights</b>	
Fresh issue (in Rs crore)	

Offer for sale (in Rs crore)	598-630.9
Offer for sale (in number of shares)	
- in Upper price band	32858323
- in Lower price band	32858323
Price Band (Rs)	182-192
For Fresh Issue Offer size (in no of shares)	
- in Upper price band	-
- in Lower price band	-
<b>Post issue capital (Rs crore)</b>	
- in Upper price band	43.81
- in Lower price band	43.81
<b>Post issue Promoter and Promoter Group shareholding</b>	
-On higher price band (%)	71.95%
-On lower price band (%)	71.95%
Bid Size (in No. of shares)	78
Issue open date	03/06/2026
Issue close date	05/06/2026
Listing	BSE, NSE
<b>Rating</b>	<b>42/100</b>

#### CMR Green Technologies : Consolidated Financials

	2303 (12)	2403 (12)	2503 (12)	2512 (9)
Sales	5868.51	5952.44	6666.49	6275.52
OPM (%)	3.53	3.65	4.56	5.17
OP	207.01	217.40	303.72	324.44
Other inc.	21.39	16.00	30.18	15.48
PBIDT	228.40	233.41	333.90	339.92
Interest	43.43	53.76	61.21	66.83
PBDT	184.98	179.65	272.69	273.09
Dep.	46.78	49.59	62.69	56.59
PBT	138.19	130.06	209.99	216.50
Share of profit/loss from JV	-0.32	-0.52	-4.93	-3.30
PBT Before EO	137.88	129.54	205.06	213.20
Exceptional items	-	-1,239.63	-	-
PBT After EO	137.88	-1110.09	205.06	213.20
Total Tax	33.37	-271.54	50.02	50.81
PAT from continued operations	104.51	-838.56	155.04	162.39
Minority Interest	6.85	5.77	12.58	14.31
Net Profit	97.66	-844.33	142.46	148.09
EPS (Rs)*	4.5	4.2	6.5	#
EPS is on post issue equity capital of Rs 43.81 crore of face value of Rs 2 each				
Figures in Rs crore				
Source: CMR Green Technologies Issue Prospectus				