IPO Note

BONANZA WEALTH MANAGEMENT RESEARCH

Bonanza

2 June 2026

CMR Green Technologies Ltd.- Subscribe

Company Overview

CMR Green Technologies Ltd. (CGTL) is India's leading non-ferrous metal recycler and the largest player in the domestic secondary aluminium market by revenue in FY25. The company manufactures recycled aluminium alloys (ingot and liquid form), zinc alloy ingots, and furnace-ready non-ferrous metal scrap, catering primarily to automotive and industrial customers. With an installed capacity nearly four times that of its nearest domestic competitor, CGTL also ranks among the largest aluminium recyclers globally.

The company is well positioned to benefit from the increasing shift toward metal recycling, driven by sustainability goals, lower carbon emissions, and cost advantages over primary metal production. Recycled aluminium requires significantly lower energy and capital investment while retaining the same quality as primary aluminium, making it a preferred solution for customers seeking environmentally sustainable and cost-efficient metal sourcing.

Investment Rationale

- CMR Green is India's largest non-ferrous metal recycler and leading player in the secondary aluminium market, with installed capacity nearly 4x that of its closest domestic competitor. The company holds a dominant position in automotive cast alloys and benefits from increasing adoption of recycled aluminium.
- The company is a key supplier of liquid aluminium alloys, supported by strategically located plants, specialized logistics infrastructure and just in time delivery capabilities. High technical expertise, customer integration and proximity based supply create significant entry barriers and strengthen customer stickiness.
- CMR has a global procurement network spanning nearly 200 suppliers across 70+ countries, reducing supply chain risks while ensuring competitive raw material sourcing and cost efficiency.
- Entry into wrought alloys, extrusion billets, packaging, construction and renewable energy applications broadens the company's growth avenues beyond the automotive sector. Strategic partnerships with primary aluminium producers further strengthen growth visibility.
- India's recycled aluminium market is expected to grow at a double digit rate over the next five years, driven by urbanization, infrastructure development, increasing scrap availability and favorable government policies promoting metal recycling.
- CMR Green has established a well distributed manufacturing network of 13 recycling facilities across key industrial and automotive regions in India, including Haryana, Gujarat, Maharashtra, Tamil Nadu, Uttarakhand, Rajasthan, Odisha and Andhra Pradesh. The strategic placement of these facilities allows the company to efficiently procure scrap, remain close to customers and optimize transportation and supply chain costs.
- As of March 31, 2026, the company's total installed recycling capacity stood at 615,150 MTPA, comprising 470,300 MTPA of aluminium alloys, 8,400 MTPA of zinc alloys, and 136,450 MTPA of other recycled metals. This extensive capacity base strengthens its ability to serve a diverse customer base, supports future growth and reinforces its position as one of the largest aluminium recyclers in India.

Valuation

At the upper price band of Rs.192, CGTL is valued at a P/E of 29.53x and a P/B of 9.17x, which appears reasonable given its market ranking in recycling and peer comparison. The company has established a dominant market share in recycled aluminium, supported by a diversified sourcing network, pan India manufacturing footprint and high entry barriers in the liquid aluminium segment. The long term outlook remains attractive, driven by rising aluminium intensity in automobiles and EVs, increasing adoption of recycled metals, and growing focus on sustainability and decarbonization. we assign a **SUBSCRIBE** rating for investors with a medium to long-term investment horizon.

IPO Details

Industry	Metal Recycling
Issue Open Date	03rd June 2026
Issue Close Date	05th June 2026
Price Band (Rs.)	182-192
Issue Size (Cr)*	Rs. 630.88
Issue Size *(Shares)	3,28,58,323
Bid Lot	78 Shares
Listing Exchanges	BSE and NSE
Face Value (Rs.)	Rs. 2.0/-

* **At highest price band**

Issue Details

Sale Type (Rs. Cr)	Offer for Sale – 630.88
Issue Type	Book Building
Book Running Lead Manager	Equirus Capital Ltd, ICICI Securities Ltd, Motilal Oswal Investment Advisor Limited
Registar	Kfin Technologies Ltd
Issue structure	QIB: 50.0% Non Institutional: 15.0% Retail: 35.0%
Credit of Shares to Demat Account	09th June 2026
Issue Listing Date	10th June 2026

* **At highest price band**

Objective of Issue

Particular	**Estimated utilization from Net proceeds (Rs Cr.)**
This is a pure **Offer for Sale (OFS),** meaning no funds from the issue will flow into the company. The entire proceeds will be received by thr promoter and promoter group , with no capital deployment at the company level.	

Shareholding Pattern

Shareholding (%)	Pre(%)	Post*(%)
Promoter	86.9	84.0
Public & Others	13.1	16.0

* **At highest price band**

Business Highlights

- CMR Green is India's largest non-ferrous metal recycler by installed capacity and the leading player in the secondary aluminium market. The company enjoys a significant scale advantage, with capacity nearly four times that of its nearest domestic competitor and a dominant share in automotive cast alloys.
- The company is India's largest supplier of recycled liquid aluminium, a segment characterized by high technical expertise, specialized logistics and significant entry barriers. Its just-in-time delivery model and customer integration enhance long-term customer stickiness.
- CMR sources scrap from nearly 200 suppliers across 70+ countries, ensuring raw material security and cost competitiveness. It maintains long-standing relationships with leading OEMs and Tier-1 automotive manufacturers, including Maruti Suzuki, Honda, Bajaj Auto and Hero MotoCorp.
- The company operates 13 strategically located recycling facilities across major automotive and industrial hubs in India, with an installed recycling capacity of over 615,000 MTPA, enabling efficient procurement, production and customer servicing.
- Joint ventures with global players such as Toyota Tsusho, Nikkei MC Aluminium and Nippon Light Metal provide access to advanced recycling technologies, operational expertise and customer networks while supporting expansion into new aluminium segments.
- Increasing aluminium content in vehicles, rising EV adoption, growth in construction and packaging industries, and global decarbonization initiatives are expected to drive long-term demand for recycled aluminium. The company's focus on green aluminium and ESG-led manufacturing further strengthens its growth outlook.

Financials

Particular (Rs./Cr.)	FY23	FY24	FY25	9MFY26
Revenue	5,868.5	5,952.4	6,666.5	6,275.5
EBIDTA	207.0	217.4	303.7	324.4
EBIDTA M(%)	3.5	3.7	4.6	5.2
PAT	104.5	(838.6)	155.0	162.3
PAT M(%)	1.8	(14.1)	2.3	2.6
EPS	4.4	(38.3)	6.5	6.8

Risk & Concern

- Liquid Aluminium Alloys and Aluminium Alloy Ingots contributed nearly 82% of revenue in 9MFY26. Any decline in demand, pricing pressure or substitution risk in these products could materially impact revenue and profitability.
- The top 5 customers accounted for 32.5% of revenue and the top 3 contributed 20.9% in 9MFY26. Loss of key customers, reduction in orders or customer insourcing could adversely affect business performance.
- The company relies heavily on imported metal scrap, with the US accounting for nearly 50% of raw material imports in 9MFY26. Any trade restrictions, geopolitical disruptions or supply chain issues could impact raw material availability and costs.
- Raw material prices are linked to global metal markets, while a significant portion of procurement is denominated in foreign currencies. Fluctuations in scrap prices and exchange rates can affect margins and earnings.
- A large share of revenue is derived from automotive OEMs and Tier-1 suppliers. Any slowdown in vehicle production, weaker auto demand, regulatory changes or shift in industry dynamics could impact growth.

Graphs & Charts

Figure 1: Revenue Trend

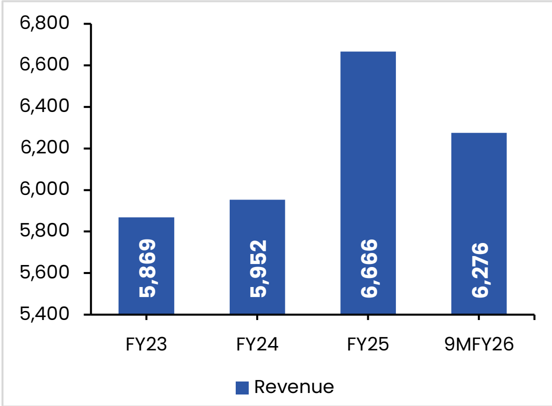


Figure 2: PPOP trend

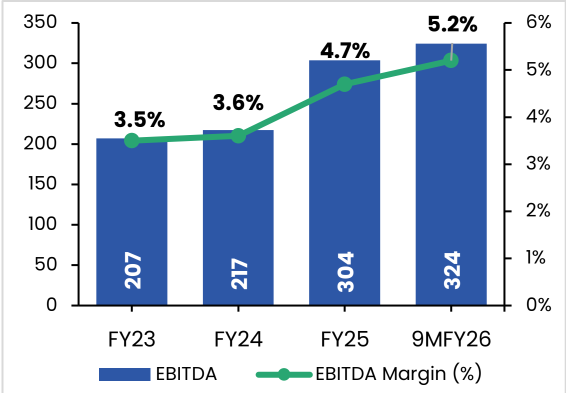


Figure 3: PAT Trend

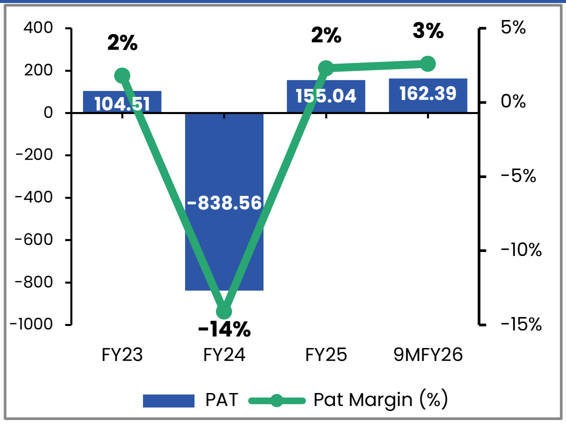
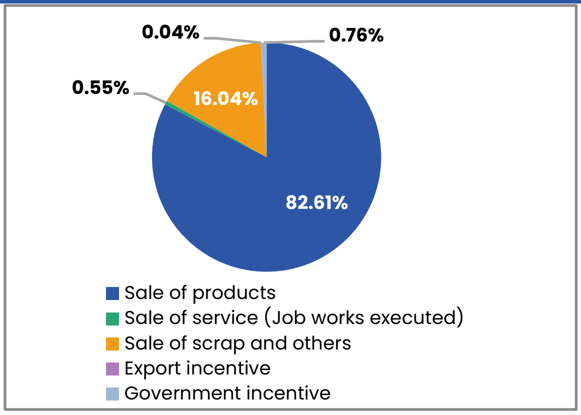


Figure 4: Revenue Mix for 9MFY26



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