



Company Overview

M&B Engineering Ltd. is one of the leading players in the Pre-Engineered Buildings (PEB) segment, with an installed capacity of 103,800 MTPA for PEB structures and 1,800,000 square meters per annum for Self-Supported Roofing solutions. The company operates through two key divisions: the Phenix division, which provides comprehensive solutions for PEBs and complex structural steel components, and the Proflex division, which provides self-supported steel roofing solutions. It offers turn-key solutions that include project design, engineering, manufacturing, and erection, tailored to customer requirements across industrial and infrastructure segments. M&B has dedicated teams for each division, led by experienced professionals in areas such as plant operations, quality control, sales and marketing, procurement, and finance, enabling it to effectively respond to evolving industry demands and opportunities. During its 23 years of operations, the company has executed over 9,500 projects for clients across diverse sectors such as general engineering and manufacturing, food and beverages, warehousing and logistics, power, textiles, and railways. M&B operates two manufacturing facilities located in Sanand, Gujarat, and Cheyyar, Tamil Nadu. These facilities are supported by stringent quality and safety standards and are ISO certified. The Sanand facility is recognized by various industry authorities, including the Research Design and Standards Organization of Indian Railways, Factory Mutual Global (FM Global), and the National Accreditation Board for Testing and Calibration Laboratories (NABL). It has also received approval from the Chief Engineer (Navy) for the design, manufacture, and erection of PEB structures. Notably, it is the only PEB manufacturing facility in India certified by the American Institute of Steel Construction (AISC). M&B has a strong track record, extensive domain experience, established brand presence, and in-house capabilities across design, engineering, manufacturing, supply, and on-site project management in the PEB and steel roofing industry.

Objects of the issue

The company proposes to utilise the net proceeds towards funding the following objects:

- ⇒ Funding the capital expenditure requirements for the purchase of equipment and machinery, building works, solar rooftop grid and transport vehicles at its manufacturing facilities;
- ⇒ Investment in information technology ("IT") software upgradation by the company;
- ⇒ Re-payment or pre-payment of term loans, in full or in part, of certain borrowings availed by the company; and
- ⇒ General corporate purposes.

Investment Rationale

A wide range of specialized products and services help build and retain customer relationships

As an integrated manufacturing partner offering design-led manufacturing solutions, M&B provides designs, engineering solutions, manufacturing, and testing to ensure that its structures meet high standards of reliability, safety, and performance. At the core of its operations, the company specializes in innovative design, manufacturing, and installation of pre-engineered metal buildings, complex structural steel components, and self-supported steel roofing. By combining the strengths of its Phenix and Proflex divisions, M&B is equipped to serve a diverse set of customer requirements, from small-scale to large-scale projects. The company's solutions span simple PEB structures, such as those required for warehousing applications, to complicated constructions, such as PEB installations with retractable (openable) roof structures. The company's Phenix Division integrates manufacturing operations to provide comprehensive solutions, covering estimation, design, engineering, and manufacturing PEBs within its controlled facility environments. These structures are then supplied, installed, and erected under supervision through on-site project management. Through the Proflex Division, M&B provides self-supported steel roofing solutions. Using proprietary software, the company determines the optimal steel thickness for each project by analyzing building parameters. This analysis forms the basis for pricing and proposal preparation. The roofing solutions are designed, manufactured, and installed according to the client's specific requirements. Additionally, M&B provides value-added products and services, including side wall and gable wall cladding, ventilators, skylights, and HVLS fans, further enhancing the functionality and appeal of its structural solutions. With experience in handling over 9,500 projects across varied terrains, geographic locations, end-use applications, customer specifications for span length and materials, delivery timelines, and project sizes, M&B has established a strong track record that demonstrates its capabilities to both existing and potential customers.

Issue Details

Offer Period	30 th July 2025 - 01 st August 2025
Price Band	Rs. 366 to Rs. 385
Bid Lot	38
Listing	BSE & NSE
Issue Size (no. of shares in mn)	17
Issue Size (Rs. in bn)	6.5
Face Value (Rs.)	10

Issue Structure

QIB	75%
NIB	15%
Retail	10%

BRLM	Equirus Capital Pvt. Ltd., DAM Capital Advisors Ltd.
Registrar	MUFG Intime India Pvt. Ltd.

Particulars	Pre Issue %	Post Issue %
Promoters and promoter group	100.0	70.5
Public	0.0	29.5
Total	100.0	100.0

(Assuming issue subscribed at higher band)

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M&B Engineering Limited

Strategically located manufacturing facilities enhance efficiency and market reach

M&B operates two manufacturing facilities at Sanand, Gujarat, and Cheyyar, Tamil Nadu, for manufacturing PEBs and complex structural steel components. The Sanand facility is strategically located to serve customers across Western, Northern, and Central India, with close connectivity to ports in Gujarat, while the Cheyyar facility is well-placed to cater to customers in South India. The company has utilized about 33,737.75 square meters of land at its Sanand facility and 21,917.76 square meters at its Cheyyar facility. Both facilities are equipped with equipment and systems, including high-precision CNC machines, plasma and oxy-acetylene cutting torches, beam welding machines, online shot blasting and painting systems, sheet profiling machines, and integrated purlin forming and painting lines. M&B has made efforts to adopt uniform manufacturing standards with robust controls across all its facilities. The company's manufacturing infrastructure is further supported by stringent quality and safety processes, evidenced by its ISO certification. Additionally, the Proflex Division operates a fleet of 14 mobile manufacturing units, enabling M&B to serve customers across a wide geographic area efficiently. To enhance design and engineering capabilities, M&B has invested in computer-aided design software, including STAAD PRO, STAAD PRO Advanced, MBS, TEKLA/Trimble, ZWCAD, and BricsCAD. The company's engineering expertise and technology-driven processes enable it to execute projects in accordance with the designs, specifications and timelines. Its focus on process innovation and the use of modern technology has been helpful in the business growth and improving its ability to customize products. With fully integrated infrastructure and capacities, M&B is equipped to meet the diverse requirements of PEB and self-supported steel roofing solutions. This enables the company to effectively serve multiple market segments, enhancing its market reach and operational flexibility.

Valuation

M&B Engineering Ltd., a leading player in the Pre-Engineered Buildings segment, offers comprehensive turn-key solutions that include project design, engineering, manufacturing and erection according to customer requirements across industrial and infrastructure segments. The company has delivered solutions to customers engaged in diverse sectors, including general engineering, manufacturing, food and beverages, warehousing and logistics, power, textiles, and railways. With a strong presence across diverse geographies, end-use applications, and project scales, M&B has built a strong track record that has helped it foster long-term relationships with both existing and potential customers. Pre-engineered construction has emerged as an innovative building method due to the increasing automation in the construction industry. The medium-term outlook for the Indian PEB industry is optimistic, with expected growth at a CAGR of 9.5-10.5% between FY25 and FY30, supported by investments in the industrial and infrastructure sectors, such as warehouses and logistics, as well as expressways. M&B's offerings range from simple PEB structures to complex constructions. The strategic location of its manufacturing facilities enables the company to serve customers across India. Backed by engineering expertise and use of modern technology, M&B is able to efficiently meet customer requirements and expand its market presence. With a strong track record, extensive domain experience, established brand presence, and fully integrated capabilities across design, engineering, manufacturing, supply, and on-site project management, M&B is well-positioned to benefit from future growth opportunities in the PEB and steel roofing industry. Financially, the company reported a revenue CAGR of 6% from FY23 to FY25, while PAT grew at an impressive CAGR of 53% during the same period. It also delivered a strong ROE and ROCE of 28.7% and 24.8% respectively, in FY25. **Based on FY25 earnings, the issue is valued at a P/E ratio of 25x based on the upper price band, which aligns well with its peers. We, thus, recommend a "SUBSCRIBE" rating for this issue.**

Key Risks

- ⇒ The company's business is dependent on, and will continue to depend on, its manufacturing facilities, and is subject to certain risks in the manufacturing process due to the use of heavy machinery. Any slowdown or shutdown in manufacturing operations or strikes or work stoppages could adversely affect its business, cash flows, financial condition and results of operations.
- ⇒ The company's raw material cost constitutes a major portion of its total expenses. Any increase in the prices, availability and quality of raw materials could adversely affect its reputation, business, results of operations, financial conditions and cash flows.
- ⇒ The company's business is dependent on its design and engineering teams to accurately carryout the pre-approval engineering studies for potential orders. Inability of the design and engineering teams to accurately estimate project costs or execute orders could adversely impact its business, results of operations, financial condition and cash flows.

M&B Engineering Limited

Income Statement (Rs. in millions)

Particulars	FY23	FY24	FY25
Revenue			
Revenue from Operations	8,805	7,951	9,886
Total revenue	8,805	7,951	9,886
Expenses			
Cost of materials consumed and operational expenses	6,563	5,772	6,749
(Increase)/Decrease in inventories of finished goods, stock in trade and work-in-progress	116	-38	3
Employee benefits expenses	754	809	989
Other expenses	707	611	880
Total operating expenses	8,140	7,154	8,622
EBITDA	664	796	1,264
Depreciation and amortization expenses	103	89	125
EBIT	561	707	1,139
Finance costs	192	231	200
Other Income	85	132	83
PBT	455	609	1,022
Tax expense			
Current tax	131	158	230
Deferred tax charge/(credit)	-5	-5	22
Total tax	126	153	252
Net Profit	329	456	770
Diluted EPS	6.8	9.2	15.4

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in millions)

Particulars	FY23	FY24	FY25
Cash Flow from operating activities	290	57	356
Cash flow from investing activities	-119	-623	-341
Cash flow from financing activities	297	319	-453
Net increase/(decrease) in cash and cash equivalents	468	-248	-438
Cash and cash equivalents at the beginning of the period	514	982	734
Cash and cash equivalents at the end of the period	982	734	296

Source: RHP, BP Equities Research

M&B Engineering Limited

Balance Sheet (Rs. in millions)

Particulars	FY23	FY24	FY25
ASSETS			
Non-Current Assets			
Property, plant and equipment	743	755	1,686
Capital work-in-progress	19	662	22
Intangible assets	33	11	24
Right to use assets	12	5	45
Financial assets			
(i) Investments	51	69	51
(ii) Loans	3	3	3
(iii) Other financial assets	44	35	47
Total Non Current assets	906	1,542	1,878
Current Assets			
Inventories	1,746	1,958	3,224
Financial assets			
(i) Trade receivables	1,192	1,390	1,924
(ii) Cash and bank balances	982	734	296
(iii) Bank balances other than (ii) above	274	258	552
(iv) Loans	3	5	3
(v) Other financial assets	3	2	5
Other current assets	482	443	611
Total Current Assets	4,682	4,790	6,614
Total Assets	5,588	6,331	8,492
EQUITY AND LIABILITIES			
Equity			
Equity share capital	200	500	500
Other equity	1,605	1,830	2,565
Total equity	1,805	2,330	3,065
Non controlling interest	-10	0	0
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	893	439	542
(ii) Lease liabilities	6	2	36
Deferred tax liabilities (net)	50	44	65
Total Non-Current Liabilities	948	484	644
Current Liabilities			
Financial Liabilities			
(i) Borrowings	595	1,610	1,319
(ii) Lease liabilities	8	4	10
(iii) Trade payables	1,341	933	2,266
(iv) Other financial liabilities	105	124	154
Short term provisions	134	105	133
Other current liabilities	661	740	900
Total Current Liabilities	2,844	3,516	4,783
Total Liabilities	3,792	4,001	5,427
Total Equity and Liabilities	5,588	6,331	8,492

Source: RHP, BP Equities Research

Disclaimer Appendix**Analyst (s) holding in the Stock : Nil****Analyst (s) Certification:**

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