ANANDRATHI

M&B Engineering Limited

29-July-25

Subscribe- Long Term

Rinkle Vira
rinklevira@rathi.com

RINKLE SHAILESH VIRA Digitally signed by RINKLE SHAILESH VIRA Date: 2025.07.29 16:40:16 +05'30'

Issue Details

Issue Details	
Issue Size (Value in ` million, Upper Band)	6,500
Fresh Issue (No. of Shares in Lakhs)	169
Offer for Sale (No. of Shares in Lakhs)	71
Bid/Issue opens on	30-Jul-25
Bid/Issue closes on	01-Aug-25
Face Value	Rs. 10
Price Band	366-385
Minimum Lot	38

Objects of the Issue:

- **Fresh Issue: ₹2,750 Million**
  - Funding the capital expenditure requirements for the purchase of equipment and machinery, building works, solar rooftop grid and transport vehicles at their Manufacturing Facilities;
  - Investment in information technology ("IT") software upgradation;
  - Re-payment or pre-payment of term loans, in full or in part, of certain borrowings availed by the Company; and General corporate purposes.
- **Offer for sale: ₹3,750 Million**

Book Running Lead Managers
Equirus Capital Private Limited
DAM Capital Advisors Limited
Registrar to the Offer
MUFG Intime India Private Limited

Capital Structure (` Million)	Aggregate Value
Authorized share Capital	800.0
Subscribed paid up Capital (Pre-Offer)	500.0
Paid up capital (Post - Offer)	571.4

Share Holding Pattern %	Pre Issue	Post Issue
Promoters & Promoter group	100.0%	69.1%
Public	0.0%	30.9%
Total	100%	100%

Financials

Particulars (Rs. In Million)	FY25	FY24	FY23
Revenue from operations	**9,885**	**7,950**	**8,805**
Operating expenses	8,622	7,154	8,140
EBITDA	**1,264**	**796**	**664**
Other Income	83	132	85
Depreciation	125	89	103
EBIT	1,222	839	647
Finance cost	200	231	192
Exceptional Items	-	-	-
PBT	1,022	609	455
Tax	252	153	126
Consolidated PAT	**770**	**456**	**329**
EPS	13.5	8.0	5.8
Ratio	**FY25**	**FY24**	**FY23**
EBITDAM	12.8%	10.0%	7.5%
PATM	7.8%	5.7%	3.7%
Sales growth	24.3%	-9.7%	

Sector- Capital Goods-Pre Engineered buildings

Company Description

M&B Engineering Ltd is one of India's leading Pre-Engineered Buildings ("PEBs") players (installed capacity being greater than 100,000 MTPA). The company business is structured into (a) Phenix division which provides comprehensive solutions for PEBs and complex structural steel components; and (b) Proflex division which provides self-supported steel roofing solutions.

They offer customers comprehensive turn-key solutions which include project design, engineering, manufacturing and erection in accordance with customer requirements across industrial and infrastructure segments.

The Company has installed capacity of 103,800 MTPA related to PEB structures and 1,800,000 square metres per annum for Self-Supported Roofing solutions as on March 31, 2025. They have delivered solutions for customers engaged in diverse sectors including general engineering and manufacturing, food and beverages, warehousing and logistics, power, textiles, and railways. They have undertaken execution of over 9,500 projects until the end of March 2025 under the Phenix and Proflex Divisions.

The Company operates 2 manufacturing facilities in Sanand, Gujarat, and Cheyyar, Tamil Nadu, with a combined PEB capacity of 103,800 MTPA. Sanand started in 2008, Cheyyar in 2024. It also exports PEBs and structural steel components to 22 countries, including the USA, Brazil, South Africa, Qatar, Sri Lanka, Morocco, Nigeria, Kenya, and Seychelles since Fiscal 2010.

The company has a management team with industry experience in each of its PEB and self-supported roofing industry verticals. They have dedicated teams for each division of Phenix and Proflex, led by experienced professionals in key areas such as plant operations, quality control, sales and marketing, procurement and finance, which enables them to be well-equipped to respond to evolving industry demands and opportunities. They benefit from the industry experience, vision and guidance of their Individual Promoters, who have cumulative experience of more than 150 years in the PEB and self-supported roofing industry.

Valuation:

Ahmedabad-based M&B Engineering Ltd is one of India's leading players in the Pre-Engineered Buildings (PEB) and self-supported steel roofing segment, this leadership enables competitive advantages such as cost efficiency through economies of scale and enhanced pricing power.

M&B Engineering's strength lies in its integrated operations, in-house design and engineering teams, widespread execution track record, and a diversified customer base across industrial and infrastructure sectors. The company also benefits from long-standing relationships with marquee clients such as Adani Group, Tata Advanced Systems, Alembic Pharma which reinforces customer stickiness.

On the valuation front, based on annualized FY25 earnings, the company is seeking a P/E of 28.5 times, and a post-issue market capitalization of approximately Rs 22,000 million, making the issue appear fully priced at current levels. The company's revenues are likely to see healthy growth in FY26 as its Cheyyar facility (commenced in FY24) was operational for only 5 months in FY25. While high dependence on raw material prices and a limited sector focus remain key risks, its leadership in PEBs, pan-India manufacturing footprint, and steady expansion into global markets (including USA) provide long-term growth visibility. Hence, we recommend a **"SUBSCRIBE FOR LONG TERM"** rating to the issue

- **Description of Business**

The Phenix Division (i) provides comprehensive solutions for PEBs which include estimation, designing, engineering and manufacturing of PEBs and their components within the controlled environment of the Company's Manufacturing Facilities, which are then supplied, installed and erected under the team's supervision at customers' manufacturing sites; and (ii) manufactures complex structural steel components for customers across a variety of end-user industries for projects including the construction of bridges, flyovers, power plant structures and other industrial applications. The Company has a dedicated design and engineering in-house team of 98 employees as on March 31, 2025 who create 3D models of PEBs and structural steel using software including STAAD PRO, STAAD PRO ADVANCED, MBS, TEKLA/ TRIMBLE, ZWCAD and BricsCAD. For business process efficiency, operations are run on SAP-H4 Hana. The integrated Manufacturing Facilities of the Phenix Division have an annual installed capacity of 103,800 MT as on March 31, 2025 which enables the Company to provide comprehensive solutions to its customers. Over 15 years of operating the Phenix Division, the Company has been involved in the execution of over 1,600 projects involving the supply of around 640,000 MT of PEBs and structural steel across a diverse set of customers across end-user industries in 22 countries.

Through the Proflex Division, the Company manufactures and installs self-supported steel roofings for projects across India. During the 23-year operational history of the Proflex Division, it has installed over 18.5 million square metres of roofing by being involved in the execution of over 7,900 projects across India and catering to customers operating in a diverse set of end-user industries. Set out below is a breakdown of the consolidated revenue from operations from the Phenix Division and Proflex Division in Fiscal 2025, Fiscal 2024, and Fiscal 2023 together with such revenue contribution as a percentage of revenue from operations:

Divisions	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Revenue contribution (in ₹ million)	% of revenue	Revenue contribution (in ₹ million)	% of revenue	Revenue contribution (in ₹ million)	% of revenue
Phenix Division	7,646	77.3%	5,802	72.9%	6,287	71.4%
Proflex Division	2,238	22.6%	2,145	26.9%	2,424	27.5%
Others*	-	-	3.3	0.04%	92.4	1.05%
Total	9,885	100%	7,950	100%	8,804	100%

*Others includes revenue contribution from Modtech Machines Private Limited. Modtech Machines Private Limited is engaged in the business of manufacturing investment casting machines, automation equipment and systems, and other related products.

- **Customer Base, Long-Term Relationships, and Repeat Business Performance:**

Over 23 years of operations, the Company has undertaken execution of over 9,500 projects. In Fiscal 2025, Fiscal 2024, and Fiscal 2023, it has served more than 2,000 customer groups from across diverse industries including general engineering and manufacturing, food and beverages, warehousing and logistics, power, textiles and railways. Some of its notable customers include Adani Green Energy Limited, Adani Ports and Special Economic Zone Limited, Adani Logistics Limited, AIA Engineering Limited, Alembic Pharmaceuticals Limited, Tata Advanced Systems Limited, Balaji Wafers Private Limited, Elecon Engineering Co Limited, Gujarat Tea Processors and Packers Limited, Intas Pharmaceuticals Limited, Lubi Industries LLP, PSP Projects Limited, Everest Food Products Private Limited, Arvind Limited, Inductotherm (India) Private Limited, Haldiram Foods International Private Limited, SMC Power Generation Limited, Oriental Rubber Industries Limited, Shree Ram Industries, Satyam Plastfab Private Limited and Laxmi Hydraulics Private Limited. The Company has had a relationship of more than 15 years with some of these customers. Based on its execution track record, it has developed strong relationships with customers, which is reflected in repeat orders. The number of customers and/or customer groups, number of repeat customers and/or customer groups, and revenues from repeat orders for Fiscal 2025, Fiscal 2024, and Fiscal 2023 is as set out below:

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Number of customer and/or customer groups	787	826	741
Number of repeat customer and/or customer groups	246	297	254
Revenues from repeat customers* (in ₹ millions)	5,666	5,824	5,776
Revenues from repeat customers as % of consolidated revenues from operations	57.3%	73.2%	65.6%

*Revenues from repeat customers refers to revenues from customers and/or customer groups where the Company would have recognized revenues from such customers and/or customer groups in at least one fiscal during the last three fiscals preceding the fiscal for which the data is being disclosed.

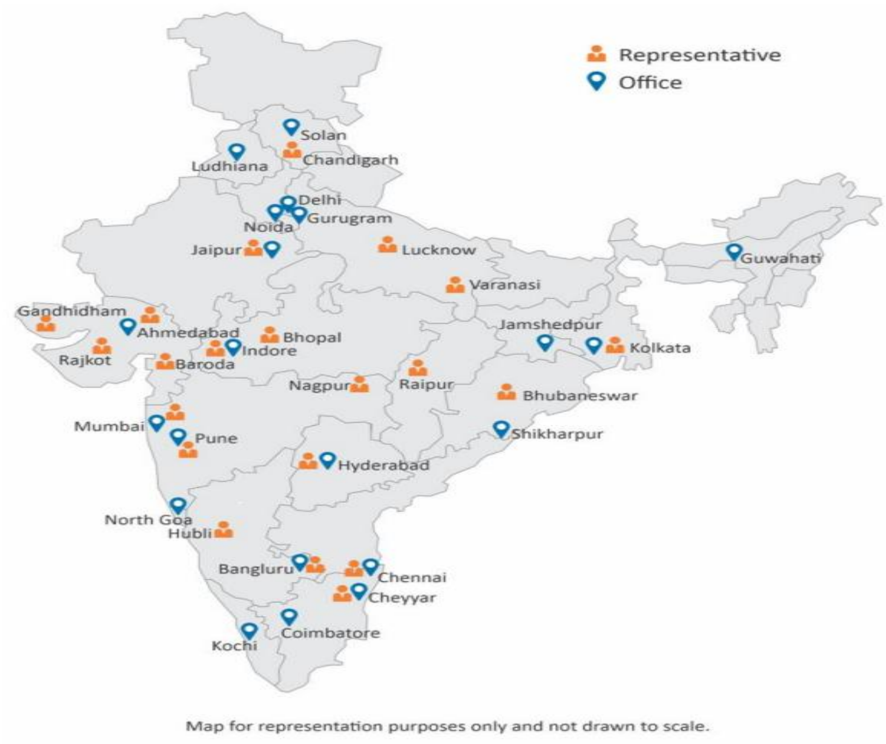
Some of their marquee projects include (a) over 62,000 square metres PEB installation for the automobile manufacturing plant of a global automobile manufacturer located at Ahmedabad, Gujarat; (b) over 285,000 square metres PEB installation for a textile plant for a major textile company at Hoshangabad, Madhya Pradesh; (c) over 125,000 square metres PEB installation for a multinational home appliance manufacturer based out of Noida; (d) over 57,000 square metres PEB installation for a warehouse for a multinational e-commerce company at Ahmedabad, Gujarat; (e) approximately 90,000 square metres 'A' frame structure with a centre height of 42 metres and clean span of 84 metres specially designed for the sugar storage requirements of a major Indian sugar company in Kandla, Gujarat; (f) approximately 3,000 square metres PEB installation with a retractable (openable) roof structure for a Kolkata-based shipyard; (g) over 5,500 square metres PEB installation for an indoor multi-use facility at Texas, US; (h) over 18,000 square metres PEB installation for a temple at New Jersey, US; (i) over 300 projects in the railway sector with cumulative installation of 0.6 million square metres wherein the self-supporting roofing solution covered railway infrastructure elements such as platforms, workshops, coach factories, service and repair sheds, warehouses and stock sheds, including the self-supported roofing solution installed at the Hubli Railway station platform which extends for 1.4 kilometres, and custom designed roofing solutions for the Vande Bharat Depots; (j) self-supported roofing structure for a major Indian milk co-operative society at Anand, Gujarat; (k) self-supported roofing structure for a major Indian sugar company at Rajpura, Uttar Pradesh.

- **Manufacturing:**

They have two manufacturing facilities at Sanand, Gujarat and Cheyyar, Tamil Nadu for the manufacturing of PEBs and complex structural steel components with a combined installed capacity of 103,800 MTPA as of March 31, 2025 for manufacturing PEBs. While the Sanand facility started operations in 2008, the Cheyyar Facility became operational in 2024. The Proflex Division operates a fleet of 14 mobile manufacturing units which are used to manufacture self-supported steel roofing. These mobile manufacturing units allow the Company to cater to customers across a wide geographic expanse. Each mobile manufacturing unit is equipped with a panel manufacturing machine, a telescopic crane and other ancillary equipment. As of March 31, 2025, the installed capacity in the Proflex Division for manufacturing self-supported roofings was 1,800,000.00 square metres per annum.

The manufacturing infrastructure is complemented by stringent quality and safety standards and processes which are evidenced by ISO certification. The Sanand Facility is also recognized by the Research Design and Standards Organization of the Indian Railways, Factory Mutual Global ("FM Global") and the National Accreditation Board for Testing and Calibration Laboratories ("NABL"). The Company has also received an approval letter from the Chief Engineer (Navy) for registration in relation to design, manufacture and erection of PEB structures. The Sanand Facility is the only PEB manufacturing facility in India with a certification from the American Institute of Steel Construction ("AISC"), as per the AISC website. As of March 31, 2025, a dedicated in-house project management team constituting 149 employees is critical in enabling the Company to provide erection and installation services at customer sites.

The domestic presence is anchored by the marketing head office in Ahmedabad, which is complemented by a strategic network of regional offices or representatives stationed in key cities across India including Mumbai, Chandigarh, Jaipur, Lucknow, Rajkot, Surat, Nagpur, Pune, Hyderabad, Delhi, Chennai and Bengaluru. The representatives situated in various regions serve as marketing agents, facilitating business development activities for the Company. By engaging directly with potential customers, they create awareness of the Company's solutions, foster relationships, and gather insights that aid in adapting products and strategies to meet regional needs effectively. This approach enhances the Company's reach and supports growth in diverse markets through tailored on-the-ground interactions. The map below sets out the presence of the offices and representatives of the Phenix Division and Proflex Division in India.



Strengths:

- **One of the leading players in terms of installed capacity in the domestic PEB industry with presence in international markets:**

They are one of India's leading Pre-Engineered Buildings ("PEBs") players (installed capacity being greater than 100,000 MTPA). The Company has installed capacity of 103,800 MTPA related to PEB structures and 1,800,000 square metres per annum for Self-Supported Roofing solutions as on March 31, 2025. The Company believes it has been able to achieve such leadership position by leveraging its comprehensive suite of services and integrated manufacturing facilities, ability to deliver solutions, strong focus on customer service, and a well-established track record of over 9,500 projects undertaken for execution. This leadership position offers competitive advantages such as reduced costs due to economies of scale and better pricing power.

The business footprint spans across geographies. The Company exports PEBs as well as complex structural steel components to 22 countries, including the United States of America. Since Fiscal 2010, it has served customers in 22 countries, including the US, Brazil, South Africa, Qatar, Sri Lanka, Morocco, Nigeria, Kenya and Seychelles. In Fiscal 2025, Fiscal 2024, and Fiscal 2023, revenue from operations for sales outside India was ₹645.98 million, ₹191.99 million, and ₹602.57 million, which represented 6.53%, 2.41%, and 6.84% of the consolidated revenue from operations, respectively.

They are pursuing opportunities in the global markets by having established a wholly owned subsidiary in the US, which operates a marketing and sales office in Texas. This strategic move is aimed at leveraging the business potential of the North and South American markets through a dedicated front marketing company. As per industry reports, the global PEB market was valued at $20-22 billion in 2024 compared with $15-17 billion in 2019.

- **Company provide a wide range of specialised products and services, making them a comprehensive solution provider for their customers:**

As an integrated manufacturing partner providing 'design-led-manufacturing' solutions to its customers, the Company provides designs, engineering solutions, manufacturing and testing to ensure that its structures meet robust standards in reliability, safety and performance. At the core of its operations, it specializes in innovative design, manufacturing and installation of pre-engineered metal buildings, complex structural steel components and self-supported steel roofing. Combining the strengths of the Phenix and Proflex divisions, the Company has the flexibility to cater to the requirements of a diverse set of customers, ranging from small-scale projects to large-scale projects.

The Company offers solutions to customers which can range from simple PEB structures as may be required for a warehousing application to complicated constructions, as demonstrated by the PEB installation with a retractable (openable) roof structure delivered for a Kolkata-based shipyard. It believes that its experience of handling over 9,500 projects spanning terrains, geographical regions, end-use applications, customer specifications for span length and materials, delivery timelines and size has enabled it to demonstrate to customers, as well as potential customers, its credentials.

The company's Phenix Division has integrated manufacturing operations through which it provides comprehensive solutions to customers, including estimation, designing, engineering, and manufacturing of PEBs within the controlled environment of its Manufacturing Facilities. These are then supplied, installed, and erected under supervision through on-site project management. The company's comprehensive solutions ensure reliability, efficiency, and cost-effectiveness for customers, while enabling it to control quality, reduce lead time, and optimize cost.

- **Relationships with customers across a diverse set of industries with an order book of ₹8,428 million as of June 30, 2025:**

Over the period of its operations, the Company has undertaken execution of over 9,500 projects and has established long-term relationships with a diverse set of customers across the industries it caters to. The Company believes that its ability to address varying and stringent customer requirements over long periods enables it to obtain additional business from existing clients as well as new clients. Through both the Phenix Division and Proflex Division, the Company provides products and services to a diverse range of customers operating across varied industries. Some of its notable customers include Adani Green Energy Limited, Adani Ports and Special Economic Zone Limited, Adani Logistics Limited, AIA Engineering Limited, Alembic Pharmaceuticals Limited, Tata Advanced Systems Limited, Balaji Wafers Private Limited, Elecon Engineering Co Limited, Gujarat Tea Processors and Packers Limited, Intas Pharmaceuticals Limited, Lubi Industries LLP, PSP Projects Limited, Everest Food Products Private Limited, Arvind Limited, Inductotherm (India) Private Limited, Haldiram Foods International Private Limited, SMC Power Generation Limited, Oriental Rubber Industries Limited, Shree Ram Industries, Satyam Plastfab Private Limited and Laxmi Hydraulics Private Limited.

As of June 30, 2025, the Company had an order book of ₹8,428.38 million. Set out below is the split of the order book from the Phenix and Proflex Divisions, as of June 30, 2025, March 31, 2025, March 31, 2024, and March 31, 2023:

Division	Order book (₹ million) as of June 30, 2025	Order book (₹ million) as of March 31, 2025	Order book (₹ million) as of March 31, 2024	Order book (₹ million) as of March 31, 2023
Phenix Division	6,336	6,130	4,378	3,206
Proflex Division	2,093	1,899	1,528	1,071
Total	8,428	8,029	5,906	4,277

The company's customer relationships are primarily driven by its ability to develop processes, meet stringent quality and technical specifications, and complete the designing, manufacturing, erection, and installation for customers in a timely and cost-effective manner. As a result, the company has a history of high customer retention and has been providing services to certain clients for a number of years. This long-term association with customers offers competitive advantages such as revenue visibility, industry goodwill, and a deep understanding of customer requirements, serving as a testament to the quality of its products and services. Revenues from repeat orders from customers for Fiscal 2025, Fiscal 2024, and Fiscal 2023 are as set out below:

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Revenues from repeat customers* (in ₹ million)	5,666	5,824	5,776
Revenues from repeat customers as % of consolidated revenues from operations	57.3%	73.2%	65.6%

The company's enduring customer relationships serve as a clear testament to its commitment to quality, as well as its advanced design, engineering, and manufacturing capabilities. As a result of these long-standing relationships, the company is well equipped to retain its presence in the market and build upon these associations to expand its product base and reach new customers. These sustained customer engagements have enabled the company to broaden its product and service offerings, as well as extend its geographic reach. Furthermore, the long-term and active collaborations with customers support capital expenditure planning and enhance the company's ability to benefit from increasing economies of scale, thereby ensuring a competitive cost structure to drive sustainable growth and profitability.

- **Strategically located manufacturing facilities for PEBs with comprehensive in-house design and engineering capabilities and 14 mobile manufacturing units for self-supported roofing systems:**

They are one of India's leading Pre-Engineered Buildings ("PEBs") players (installed capacity being greater than 100,000 MTPA). The Company has installed capacity of 103,800 MTPA related to PEB structures and 1,800,000 square metres per. The cost of transportation of PEB components constitutes a part of the overall pricing of the project. They have two manufacturing facilities at Sanand, Gujarat and Cheyyar, Tamil Nadu for the manufacturing of PEBs and complex structural steel components. Their Sanand Facility is strategically located to cater to the customers in Western India, Northern India and Central India, as well as by close connectivity to ports in the state of Gujarat while their Cheyyar Facility is well placed to cater to the requirements of potential customers in South India. The Company has utilized land area of around 33,737.75 square metres in Sanand Facility and 21,917.76 square metres in Cheyyar Facility.

The Sanand and Cheyyar Facilities are equipped with equipment and systems which include high precision CNC machinery, plasma cutting torches, oxy acetylene cutting torches, beam welding machines, online shot blasting and painting systems, sheet profiling machine and integrated purlin forming and painting lines. They have made efforts to adopt uniform manufacturing standards with robust controls across all their facilities. Their manufacturing infrastructure is complemented by their stringent quality and safety standards and processes which are evidenced by their ISO certification. The Sanand Facility is also recognized by the Research Design and Standards Organization of the Indian Railways, FM Global and NABL. They have also received an approval letter from the Chief Engineer (Navy) for registration in relation to design, manufacture and erection of PEB structures. The Sanand Facility is the only PEB manufacturing facility in India with a certification from American Institute of Steel Construction (AISC). These accreditations demonstrate the standards of quality systems and procedures adopted at their Sanand Facility. Their Proflex Division operates a fleet of 14 mobile manufacturing units which allows them to address their customers in a wide geographic expanse. Each of their mobile manufacturing units is equipped with a panel manufacturing machine, a telescopic crane and other ancillary equipment. As of March 31, 2025, their installed capacity for manufacturing of self-supported roofings was 18,00,000 square metres per annum.

Their PEB and structural steel manufacturing processes are supported by their in-house design and engineering offices at Hyderabad, Chennai and Ahmedabad which enable them to offer comprehensive design and detailing solutions to their customers, as well as to continually undertake incremental enhancements and improvements of their processes and designs. Their in-house design and engineering teams consist of 98 employees as of March 31, 2025. They have also invested in computer aided design software including STAAD PRO, STAAD PRO ADVANCED, MBS, TEKLA/TRIMBLE, ZWCAD and BricsCAD. For business process efficiency, their operations are run on SAP-S4 Hana. These software enhance their capabilities to conceptualize and manufacture complex, custom-designed structures that meet specific client requirements with precision. As part of their contracts with customers, they also offer on-site project management of the installation and erection of the PEBs. They have a 990 kW solar power facility at the Sanand Facility and are in the process of setting up an additional 300 kW solar power facility at the Sanand Facility. They are also in the process of setting up a similar 990 kW solar power facility at the Cheyyar Facility, which should further de-risk their business vis-à-vis the cost of power. No capital subsidy will be availed by the company in relation to the solar rooftop grid. The table below sets out the number of units of electricity consumed and produced by their Sanand Facility in Fiscal 2025, Fiscal 2024, and Fiscal 2023:

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Number of units of electricity consumed in Sanand Facility (kilowatt hours)	42,76,770	36,04,104	37,43,460
Number of units of electricity produced by existing solar set-up in Sanand Facility (kilowatt hours)	13,97,040	5,62,128	5,30,640

Key Strategies:

- **Augment manufacturing facilities in their Phenix Division to better serve their customers by setting up a strategically located manufacturing facility:**

As pre-engineered structures are manufactured offsite, transportation of these structures to the construction site involves logistics expenses, which are a function of the distance and the complexity of the transportation process and can impact the overall project cost. Furthermore, these components are susceptible to damage during transportation and handling and may require rework or replacement, which, in turn, could lead to additional costs and project delays. Hence, increased distance between the installation site and the manufacturing plant may impact price competitiveness. Additionally, presence of manufacturing plants at diverse strategic locations enables economic and efficient delivery of PEB components to the construction sites.

In addition to the commencement of operations at their Cheyyar Facility, the Company has also appointed representatives in select cities in southern India including Bengaluru, Chennai, Coimbatore, and Hyderabad. Their representatives are strategically positioned to strengthen their marketing and business development efforts in new geographies. Their presence allows them to engage directly with local markets, facilitating greater awareness of their solutions and building relationships that support growth in the region. This initiative is aimed at enhancing their market reach and accelerating business expansion in Southern India. These efforts are also backed by their offices in Chennai, Bengaluru, Kochi, and Cheyyar.

- **Increase revenue contribution of exports by focusing on USA and other key markets:**

The global pre-engineered buildings market was valued at $20–22 billion in 2024 and is expected to clock a CAGR of 9–10% over the medium term and is projected to be valued at $32–35 billion by 2029. In 2024, Southeast Asia accounted for the largest share of the pre-engineered buildings market (29.5–31.5%), closely followed by North America (28.5–30.5%) and Europe (15.5–17.5%). Exports of PEB from India increased to ₹90.5 billion in Fiscal 2025 from ₹35.8 billion in Fiscal 2019, implying a CAGR of approximately 17%. In Fiscal 2025, the USA was the top export location of PEB from India with an export value of ₹50.4 billion, making it the largest export market of PEB from India. The USA was followed by the UK and Saudi Arabia, with export values of ₹3.5 billion and ₹2.5 billion, respectively. Collectively, these countries contributed to approximately 62% of the total PEB exports from India in Fiscal 2025. The increasing exports in the PEB market from India between Fiscals 2019 to 2025 highlight an increasing trend of outsourcing to Indian players due to competitive pricing, manufacturing capabilities, and adherence to quality standards. This trend highlights the rising prominence of Indian PEB players in global markets, especially in countries like the USA, thereby providing Indian players more opportunities in international markets. Revenues from operations split across domestic and exports markets for Fiscal 2025, Fiscal 2024, and Fiscal 2023 is as under:

Geographic Regions	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Revenue (₹ million)	Revenue %	Revenue (₹ million)	Revenue %	Revenue (₹ million)	Revenue %
Within India	9,239	93.4%	7,758.6	97.5%	8,202	93.1%
Outside India	645	6.5%	191.9	2.4%	602	6.8%
Total	9,885	100%	7,950.6	100%	8,804	100%

The company incorporated a wholly owned subsidiary in Texas, USA, on June 9, 2017, with a focus on leveraging the business potential of the US market through a marketing company based in the USA. The Sanand Facility is the only PEB manufacturing facility in India with a certification from the American Institute of Steel Construction (AISC). The company intends to leverage the Sanand Facility and progressively strengthen the US sales team to expand its market reach in the USA and Latin America.

Based on the company's experience, price realisation in exports of PEBs to the USA and European markets is higher than price realisation in the Indian markets for similar products. Additionally, export contracts typically involve only the supply of PEBs without the responsibility for erection or installation. The company believes that the strategy to increase the contribution of exports in revenues from operations will help achieve better margins while improving utilisation of existing manufacturing facilities without the need to expand the erection team in geographies outside India.

- **Expand business through strategic alliances or inorganic opportunities:**

In terms of strategic acquisitions, the company intends to explore and consider opportunities that can create synergies between the target companies and them and are in line with their growth strategy. They intend to selectively pursue opportunities that will consolidate their market leadership position, enhance their financial position, expand their existing product and service portfolio, and increase their distribution network, customers, and geographical reach. Their efforts at diversifying into newer categories of their existing business or into new domestic or international markets may be facilitated by investing in similar business opportunities or making acquisitions of existing brands or businesses with manufacturing facilities, market share, or growth potential, whose operations, resources, capabilities, and strategies are complementary to their existing business.

The company plans to target entities that expand their opportunities in other product segments such as structural steel products for manufacturing capital equipment which utilize similar capabilities, end-markets, geographic regions, new customers, and new products. They intend to maintain a disciplined approach to acquisitions and consider various selection criteria such as skills of the management team, operation scale, technological capability, product portfolio, customer base, end-market exposures, valuation and estimated costs, as well as cultural fit. They believe that their long-standing customer relationships, financial strength, and manufacturing capabilities will enable them to identify and secure appropriate acquisition opportunities in the future.

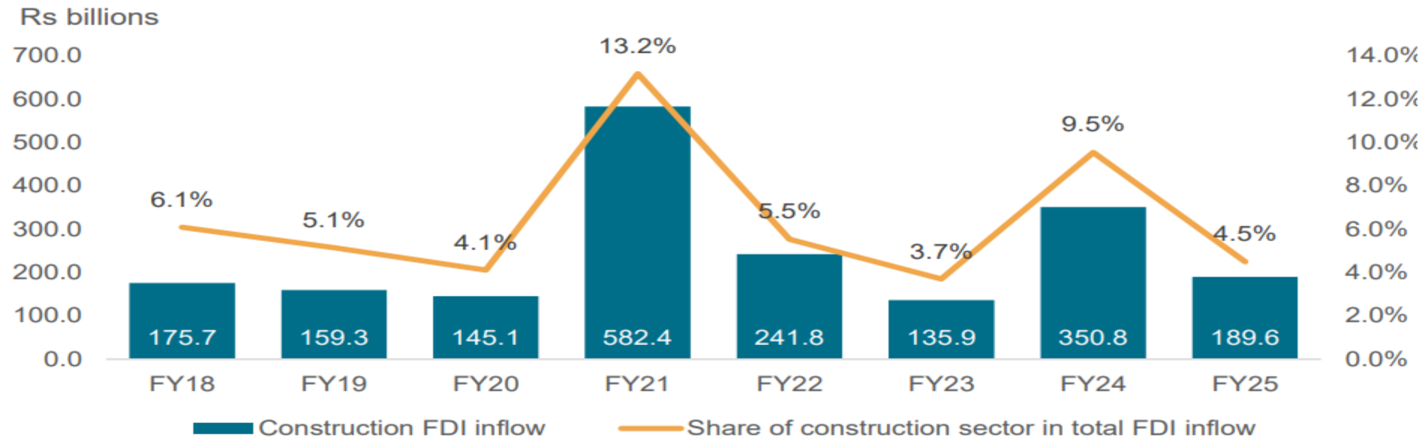
<u>Industry Snapshot:</u>

- **Construction sector:**

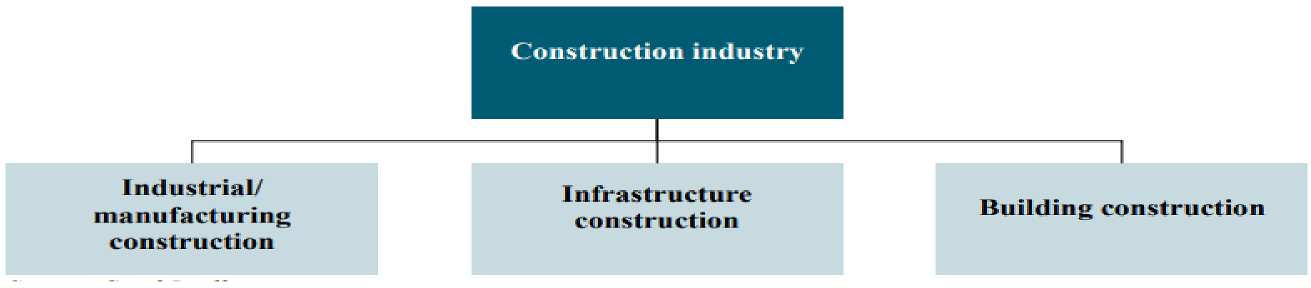
Construction among top 10 sectors to attract Foreign Direct Investment

The construction sector is a vital component of the Indian economy, with a significant multiplier effect on the country's growth. The government's efforts to promote ease of doing business have led to an increase in Foreign Direct Investment (FDI) inflows in the sector. As a result, FDI has played a crucial role in the development of the construction industry in India, with the sector attracting significant investments from foreign investors. The Indian government's decision to allow 100% FDI in the construction development sector under the automatic route in 2005 has been a key factor in attracting foreign investment. The sector has seen significant FDI inflows, with total FDI in the construction segment reaching a peak of INR 582 billion in FY21. Notably, the total FDI in the construction segment has accounted for around 5-10% of the total FDI inflow into the country.

FDI inflow in construction (infrastructure) sector of India



- **Overview of construction sector:**



- **Investments in construction sector**

Capital expenditure in construction rose 7% on-year to Rs12.7 trillion in fiscal 2025, led by the infrastructure segment. This rise is in keeping with the government's focus on infrastructure, which led to higher capex allocations in the central and state budgets to create the infrastructure outlined in the NIP. The construction sector is projected to grow at 6-8% in fiscal 2026 and the infrastructure segment is set to have a major contribution to this rise, given the increase in investments by central and state governments, and the pace of roll-out of initiatives such as the NIP, NMP and Gati Shakti. This push from the infrastructure segment is likely to be stay over the medium to long term. Private investments are expected to play a crucial role in sustaining the growth trajectory. Overall, Crisil estimates cumulative construction investments of Rs 51 trillion over fiscals 2021-25 and this is expected to increase to Rs75-80 trillion over fiscals 2026-30.

1. Infrastructure:

   Infrastructure investments are seen growing faster than the other two sectors due to the government's push through the NIP, NMP and the Gati Shakti initiatives. Construction investments in this sector are expected to be Rs50- 55 trillion between fiscals 2026 and 2030, up from Rs34 trillion between fiscals 2021 and 2025. The share of infrastructure projects is expected to stabilise in the ~67-70% range in five years (fiscals 2025-30). The central government's focus on roads, urban infrastructure and railways will boost infrastructure investments. Roads, railways, irrigation and power sectors will continue to drive the bulk of these investments.

2. Building:

   Crisil Intelligence estimates the building and construction sector to grow at 4-6% in fiscal 2025. The real estate segment is likely to see a demand slowdown, along with a rise in inventory in key cities. The increase in execution of deferred projects and government schemes such as the PMAY is expected to provide strong support to the sector. Over fiscals 2026-30, the sector is expected to rise to Rs 18-19 trillion from Rs13 trillion in the period between fiscals 2021 and 2025.

3. Industrial:

   Construction spends in fiscal 2026 likely to rise 3-4% with help from oil and gas, and metals. Fiscal 2025 had a high base anyway because of deferred investments from fiscals 2021 and 2022, and a rise in capex investments from the PLI scheme. Based on an analysis of eight key sectors, Crisil Intelligence estimates construction investment in the industrial sector at Rs4-5 trillion over fiscals 2026-30, compared with Rs4 trillion spends in fiscals 2021-25. The rise in investment is projected due to the inclusion of the PLI scheme in the capex investments of the industrial sector.

- **Warehouses:**

Warehouses refer to storage facilities where the goods are stored until they are dispatched to the customers/end-user. The time lag between production and consumption of goods necessitates to have warehouses for temporary storage of goods. For instance, certain goods are produced only during a particular season but consumed throughout the year. Similarly, certain goods are produced throughout the year but demanded only during a particular season. Thus, warehouses play an important role in maintaining the quality of the product and minimize wide fluctuations in the price of goods. GST triggered consolidation of fragmented warehousing operations into fewer and larger warehouses. Advancements in technology, particularly automation are pushing up need for end-to-end logistics services.

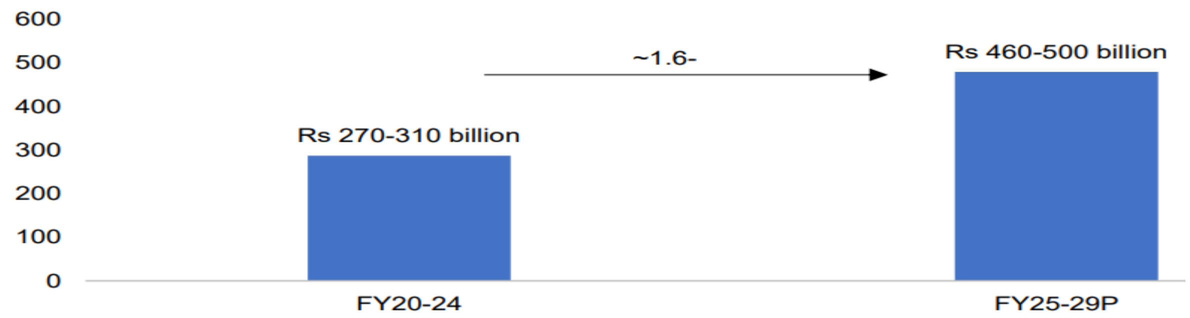
As a result, the Indian warehousing segment is witnessing a favourable structural shift with a rise in demand for modern warehousing. 3PL and e-commerce players have gained significant share in occupied stock over the past 5 years, and they are expected to drive future growth in the organised warehousing sector, which would contribute to the demand of pre-engineered steel structures.

- **Construction spends in warehouse segment to increase between FY25-29:**

Crisil projects construction investments in the warehousing (agricultural and industrial) and cold-storage (single- and multi commodity) sectors to rise to Rs460-500 billion over the FY25-29 on expectations of increased demand. Industrial warehousing is likely to account for 85-90% of total investments. Investments in the sector of multipurpose cold storages are expected to rise due to their faster return on investment compared to single-commodity storages. The multipurpose facilities offer the advantage of accommodating various types of perishable goods simultaneously, ensuring a better capacity utilization, thereby making it a more economically viable option.

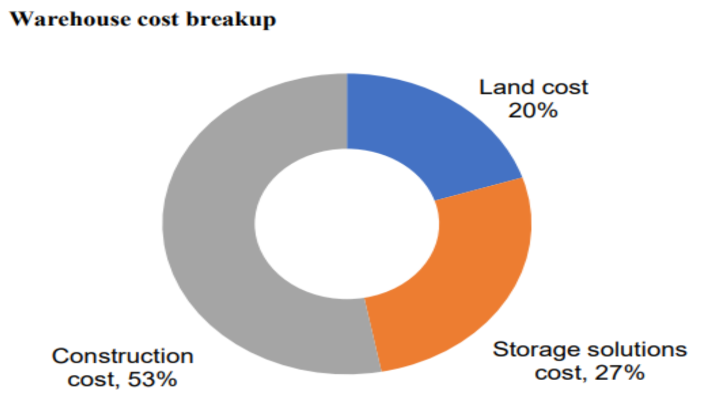
Over the long term, the annual demand for Grade A and B warehouses in top eight Indian cities is expected to log 11-16% CAGR between FY25-29. The annual supply is also expected to rise at the same rate.

Construction investments warehousing and cold storage:



Overall, pursuant to the change of the indirect tax regime, there is a huge demand for warehouses. Additionally, the entry of several retail giants in India and increased penetration of e-commerce players is expected to lead the demand for Grade A warehousing infrastructure and upgradation of old-style warehousing into Grade A modern warehousing in India, which would contribute to the demand of pre-engineered steel structures. Furthermore, Crisil Intelligence also expects the warehousing industry to evolve structurally over the long term – led by automation and investment in technology and reduced dependence on labour. Most end-user industries are also expected to automate their supply chains and warehouse management services.

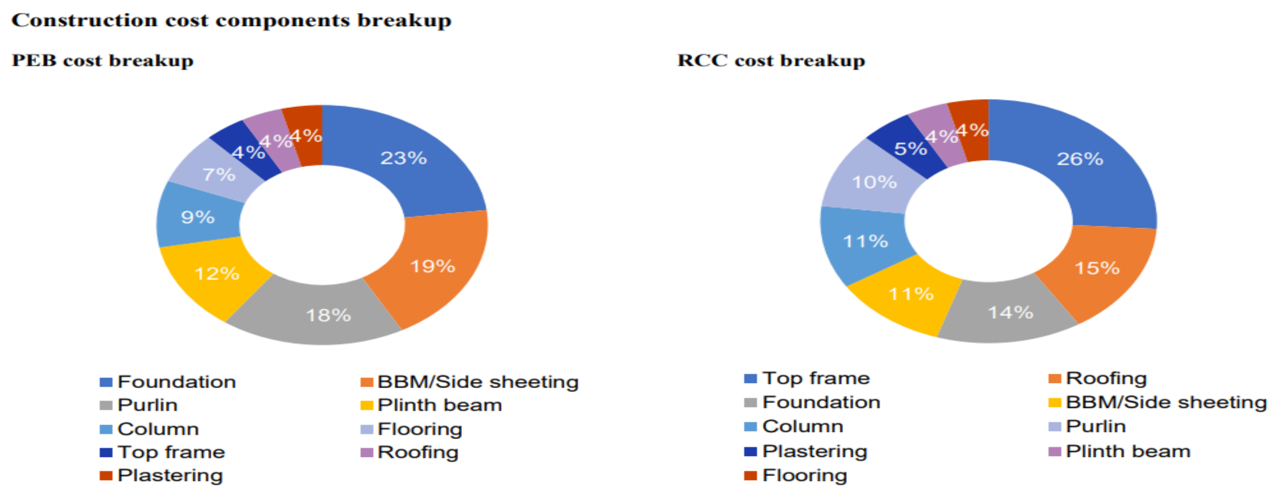
- **Warehousing project cost:**



The warehousing project cost comprises of land, construction, and storage solution costs. Land cost, which comprises the share of 27% in the overall cost, differs significantly from one location to another on account of the demand-supply scenario, infrastructure quality and connectivity via different modes of transport in a particular location.

Whereas, construction cost, which accounts for the highest share of more than 50%, is relatively similar across locations.

Within construction costs, the cost of setting up a warehouse depends largely on the type of warehouse, i.e., pre-engineered building (PEB) or reinforced cement concrete (RCC) structure. The primary difference is the construction of roof which includes roofing and top frame cost. In RCC, cement as well as steel rods are used in conventional buildings, whereas steel structures are used in PEB, which gives them higher clear height, larger clear span and faster construction timelines. Considering the complete life cycle of a warehouse, PEB is more economical than an RCC building largely on account of extensive usage of steel which requires less maintenance and has scrap value. Also, the longevity of steel roofs is high, and they are not prone to leakages, while RCC roofs require significant labour and time for execution.



3PL segment estimated to be the largest driver of industrial warehousing demand in FY25:

Robust demand is anticipated from third-party logistics (3PL) providers, particularly in sectors such as electronics, white goods, retail, and fast-moving consumer goods (FMCG). These sectors are leveraging 3PL services to optimise inventory management and reduce costs. Overall, the annual demand in warehousing, driven by e-commerce, Q-commerce and 3PL end-use sectors, is expected to contribute significantly, accounting for 55-60% of the overall demand.

- **PEB warehouses along with hub and spoke model gained prominence post GST implementation:**

The warehousing industry in India is fragmented with unorganized players occupying a majority share in volume terms. They have smaller reinforced cement concrete (RCC) warehouses with small shelves, build small warehouses and have an asset heavy strategy. Typically, they do not provide value-added services such as packaging, labelling, inventory management, etc.

In the pre-GST scenario, players used to prefer setting up warehouses in every state to save on inter-state taxes. But in the past 4-5 years, the industry has started gaining traction due to implementation of GST; many large players have started investing in huge, modernised warehouses which are PEB structures. This was on account of end-user industries moving towards a hub-and-spoke model as the need to establish warehouses in each states diminished. Larger PEB warehouses of 1,00,000-2,00,000 sq. ft are being set up as hub warehouses and smaller warehouses of 20,000-30,000 sq. ft. which would serve as the key 'spoke' warehouses.

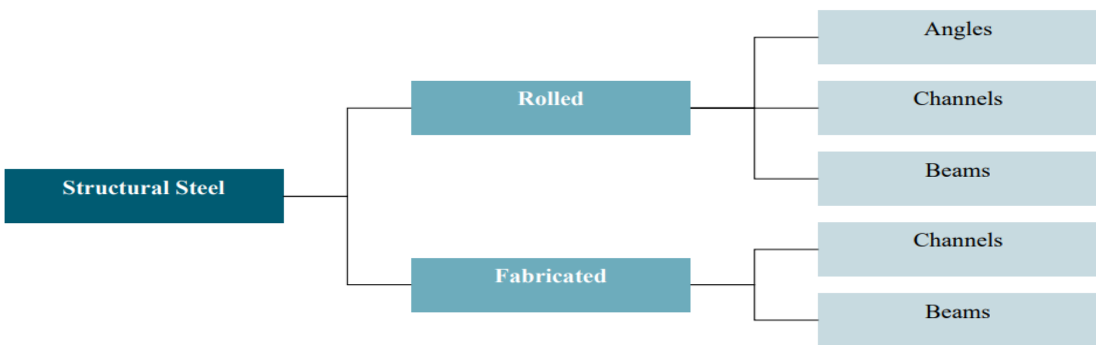
Realignment towards the hub-and-spoke model is expected to result in major business opportunities for organised 3PL players operating large-sized warehouses in key geographies. These players not only provide huge modernised PEB storage but also warehouses equipped with racking and storage solutions, forklifts and reach trucks, and value-added services. The 3PL players also have an asset light model. They take warehouses on lease from warehousing developers which, in turn, acquire the land and construct.

- **Overview of structural steel industry:**

Structural steel is a high-grade variety of the metal with applications in various end-use industries, including power and construction. In construction, use of structural steel not only helps in speeding up the construction, but it also helps in increasing the durability and structural stability of the building. Steel's high strength to weight ratio allows for lighter, more efficient structures, thereby increasing the load bearing capacity of buildings in cost efficient manner due to reduced material costs. Additionally, structural steel can also be fabricated into various forms and shapes which offers flexibility in construction.

Structural steel can be broadly classified into rolled and fabricated. Rolled steel, which dominates the structural steel space, is cast in continuous moulds without any joints/ breakages. It can be further classified into channels, beams and angels depending on the mould and end usage. Fabricated steel includes components that are created through cutting or bending of continuous steel to achieve tailored shapes and sizes; it can be bifurcated into channels and beams. Compared with rolled steel, the fabricated variety offers more flexibility in shapes and sizes. However, it is to be noted that the fabricated process is more time consuming and expensive than rolled due to additional labour involved for customisation.

Breakdown of structural steel



- **Market size of structural steel industry:**

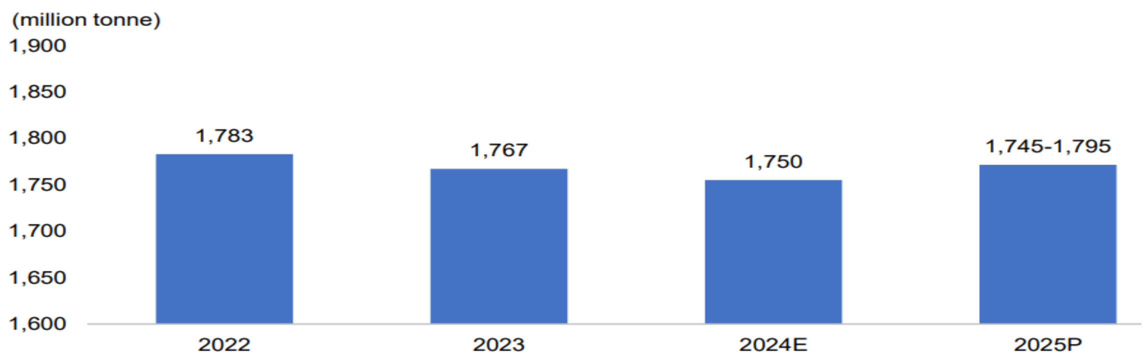
Global demand for finished steel products expected to recover in 2025

Demand for finished steel products was 1,767 million tonne in 2023 vs 1,783 million tonne in 2022. The decline in the demand was because of weakening investment and offtake of steel in most sectors and regions amid a weakening economic environment globally. The situation continued into 2023, particularly in the EU and the US.

In 2024, global demand of finished steel products was estimated at ~1,750 million tonne as the manufacturing sector continued to grapple with headwinds such as declining household purchasing power, aggressive monetary tightening in key economies and escalating geopolitical uncertainties. The ongoing weakness in housing construction, owing to tight financing conditions and high raw material costs, further contributed to the sluggish demand for steel.

However, in 2025, a broad-based global recovery, excluding China, is projected, which will see global steel demand reach 1,745-1,795 million tonne. Demand in China is expected to remain under strain, owing to ongoing weakness in the property sector; but sustained investment in other infrastructure sectors and support from allied industries is filling the gap. In other key steel markets such as the US, demand is also being closely monitored due to uncertainty with regard to key infrastructure investments. The MENA and ASEAN regions, though, are expected to maintain the growth momentum, as was the case in 2024.

Global demand for finished steel products

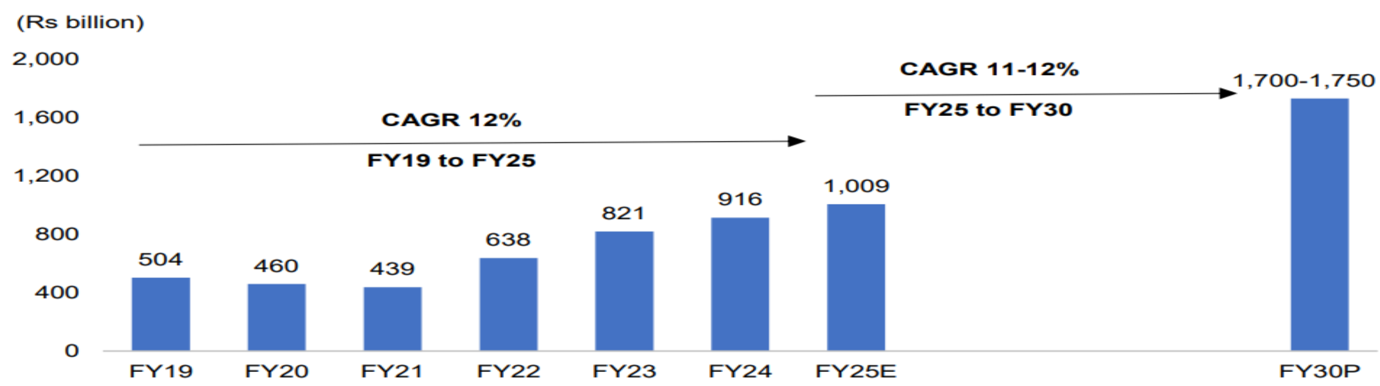


Domestic structural steel market clocked ~12% CAGR over fiscals 2019-2025

The domestic structural steel market is estimated to have expanded to Rs 1,009 billion in fiscal 2025 from Rs 504 billion in fiscal 2019, at a CAGR of 12%. Growth drivers include robust infrastructure projects by the government, increasing manufacturing/industrialising construction capex and a developing construction sector. Additionally, the disparity between the growth rates of structural steel market on the basis of value and volume suggests that the market has been more influenced by the increase in prices.

Between fiscals 2025 and 2030, the market is projected to grow at a CAGR of 11-12%. Demand for structural steel will be driven by sustained construction activities (residential, commercial and industrial) along with healthy demand from the automotive and power segments. In the residential building segment, investments will be driven mainly by affordable housing, PMAY, smart cities, rising disposable incomes, nuclearisation of families and urbanisation. Additionally, pent-up demand from the automotive industry, which prefers fabricated structural steel due to its customisable nature, is also expected to contribute to the overall demand of structural steel in India.

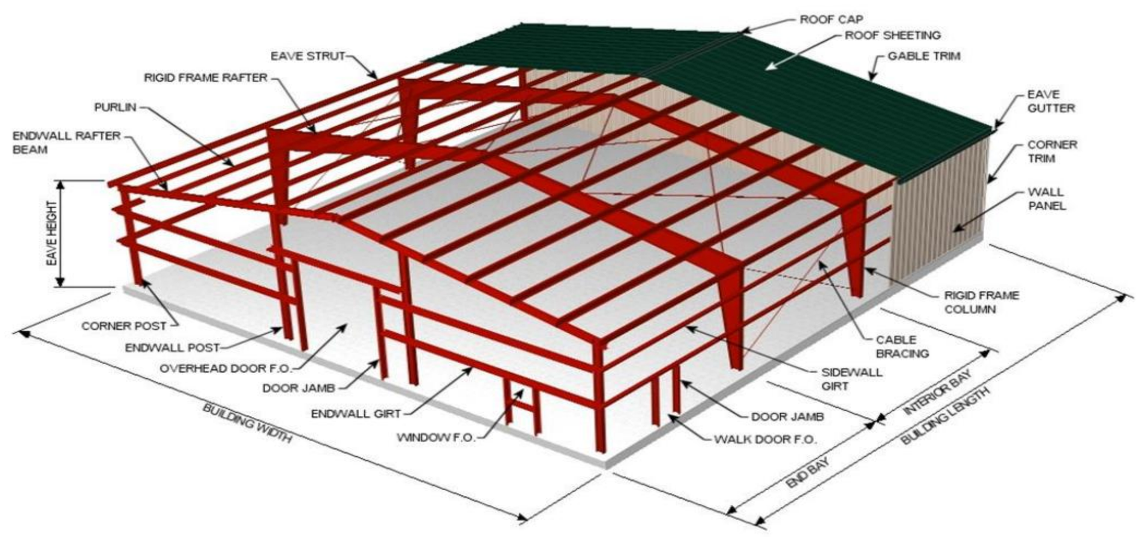
Estimated market size of domestic structural steel market



- **Overview of Pre-engineered steel building:**

Pre-engineered construction has emerged as an innovative building method due to rapid growth of automation in the construction industry. Furthermore, shortage of skilled labour, combined with the inherent advantages of these structures in terms of speed, cost-effectiveness, and environmental impact, is significantly propelling their popularity in the construction sector. Pre-engineered structures/units are more eco-friendly than traditionally constructed ones and provide common benefits such as reduced material wastage, enhanced quality control, and improved onsite safety. The controlled manufacturing process minimises material wastage, promoting sustainable building practices, while rigorous quality control ensures consistent and durable structures.

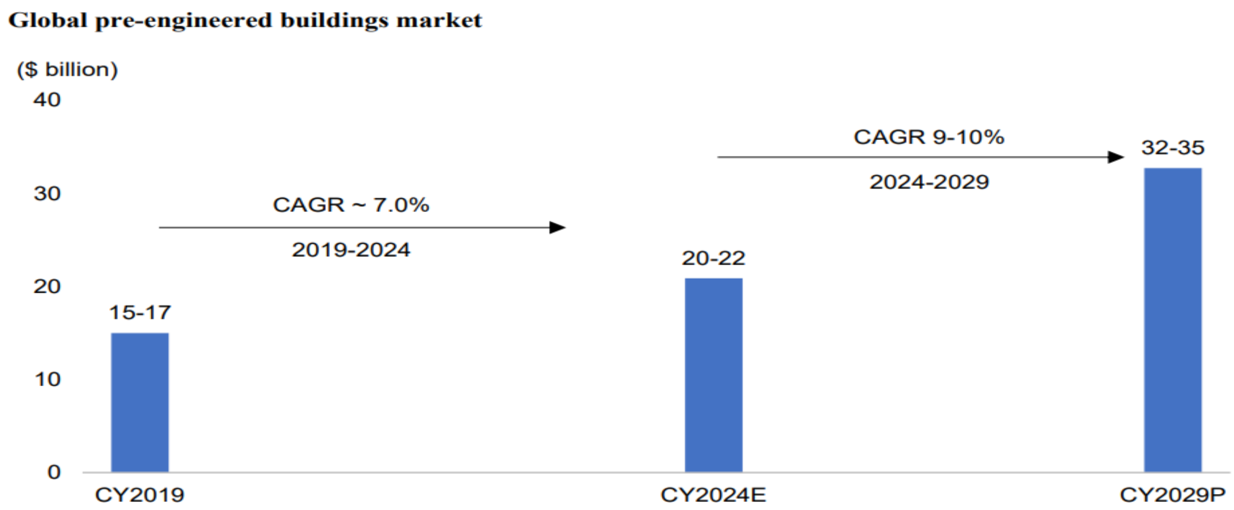
Overview of Pre-engineered steel building



Pre-engineered construction is gaining popularity in the commercial, infrastructure, and industrial landscape, such as in the automobile, cement, paper sectors, offices, aircraft hangers, warehouses and logistics, and data centres. Use of pre-engineered constructed units enables companies to accelerate the construction process in a cost-effective manner without compromising on quality. In fact, the absence of external uncontrollable factors such as adverse weather in pre-engineered construction ensures better quality control through standardised operations and streamlined processes. Pre-engineering is reshaping the realm of building construction by decreasing the overall construction duration for commercial complexes, hospitals, office buildings, high-rise buildings, and so on, without compromising on construction quality. Pre engineered structures are also used extensively in the institutional and recreational field to construct schools, exhibition halls, hospitals, theatres, auditoriums, gymnasiums, and indoor sports facilities.

Global PEB market to reach $32-35 billion by 2029:

The global pre-engineered buildings market was valued at $20-22 billion in CY2024, compared with $15-17 billion in 2019, thereby registering a CAGR of ~7%. The market is expected to clock a CAGR of 9-10% over the medium term and is projected to be valued at $32-35 billion by CY2029. This growth could be attributed to rising construction spends, increasing awareness about modern off-site construction techniques, as well as rising demand for green buildings globally.



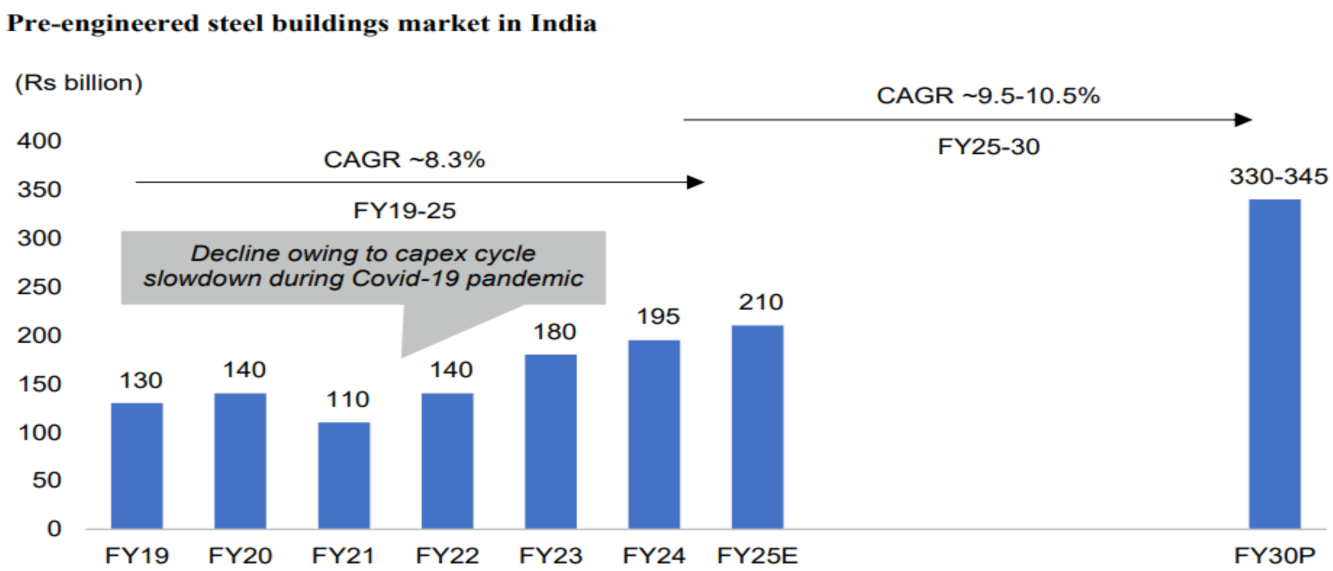
PEB market in USA:

PEBs are being utilized in the construction sector across USA, a key region within North America that held a significant share of 28.5-30.5% as of CY2024 in global PEB market. In the USA, PEBs are being employed in variety of construction, including shopping malls, warehouses, factories, airport hangers, commercial buildings, hospitals, etc. This widespread use of PEB across multiple end use segments underscores the growing importance of PEBs in the overall construction landscape of the USA. PEB market in USA is expected to grow due to increasing acceptance of non-conventional construction methods like PEBs, growing infrastructure spends by the government and expansion of end use industries like warehouses and storage.

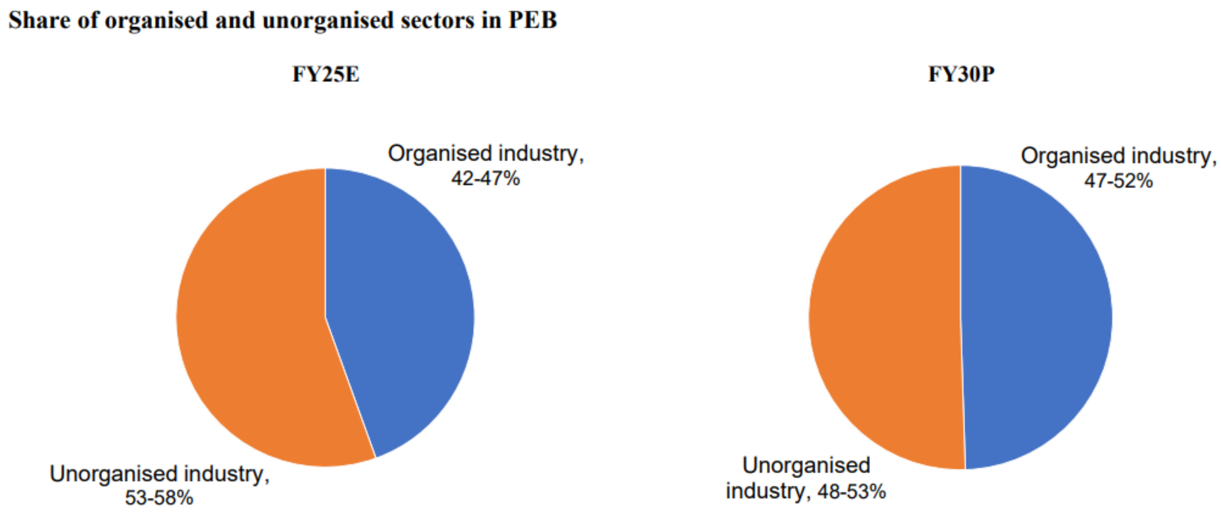
Furthermore, there has been an uptick in overall construction spends of USA as well, which has been a major growth driver of PEB. As per United States (US) Census Bureau, total construction spends stood at $ 2,156 billion in 2024 compared to $ 1,391 billion in 2019, thereby registering a CAGR of ~9%. Within overall construction spends, share of non-residential segment stood at 57%, while the reminder was with residential segment at 43%. Additionally, as per US Census Bureau, the spends in the manufacturing sector has grown from $ 81 billion in 2019 to $233 billion in 2024, thereby registering an impressive CAGR of ~24% and outperforming the overall construction spends. Consequently, share of manufacturing sector in non- residential construction spends has increased from ~10% in 2019 to ~19% in 2024. This surge highlights significant construction investments in the industrial segment, which is a prominent end use segment within overall construction sector of PEB. Overall, PEB segment in USA is expected to grow on account of growing demand from manufacturing and residential segment, increasing government spends on infrastructure segments, and surging acceptance of PEBs by the key stakeholders.

PEB market in India to log 9.5-10.5% CAGR between fiscals 2025 and 2030:

The industry expanded at a CAGR of ~8.3% over fiscals 2019 and 2025, growing from Rs 130 billion in 2019 to Rs 210 billion in fiscal 2025, driven by increased construction investments and growing awareness of PEB and its advantages. The medium-term outlook is optimistic, with the industry expected to clock a CAGR of 9.5-10.5% between fiscals 2025 and 2030 to Rs 330-345 billion, supported by investments in the industrial and infrastructure sectors, such as warehouses and logistics as well as expressways (wayside amenities and toll plazas).



Pre-engineered buildings market remains competitive with large unorganised vertical; organised sector remains superior to unorganised one:



- **Key Financial Information:**

Metric	Unit	March 31, 2025	March 31, 2024	March 31, 2023
Revenue from Operations	₹ million	9886	7951	8805
EBITDA	₹ million	1264	796	664
EBITDA Margin	%	0.13	0.10	0.08
Restated Profit/(Loss) for the Year	in ₹ million	770	456	329
PAT Margin	%	0.08	0.06	0.04
Return on Equity	%	0.25	0.20	0.19
Return on Capital Employed	%	0.25	0.19	0.20
Net Debt	in ₹ million	1013	1056	231
Net Debt to EBITDA	times	0.80	1.33	0.35
Net Debt to Equity	times	0.33	0.45	0.13
Net Fixed Assets Turnover Ratio	times	5.56	5.54	10.91
Net Working Capital	in ₹ million	2881	2414	1597
Net Working Capital Days	No of days	106	111	66
Installed Capacity	MTPA	103800	72000	72000
Installed Capacity for self-roofing systems	square meters	1800000	1650000	1650000
Number of manufacturing plants	In Number	2	1	1

- **Comparison with listed entity**

Name of the company	Face Value (₹ per share)	Revenue from operations (₹ in millions)	Basic EPS	P/E	RONW (%)	NAV (₹)
M & B Engineering Limited	10	9,885	13.4	28.5	25.1%	61.3
Listed Peers						
Pennar Industries Limited	5	32,265	8.8	28.5	11.9%	73.9
Bansal Roofing Products Limited	10	966	4.2	30.2	16.7%	25.1
BirlaNU Limited	10	36,152	-43.6	-	-2.7%	1,606.5
Everest Industries Limited	10	17,228	-2.2	-	-0.6%	377.1
Interarch Building Products Limited	10	14,538	68.5	32.7	14.3%	451.5

*Note – 1) P/E Ratio has been computed based on the closing market price of equity shares on NSE on July 28, 2025.
2) P/E of the company is calculated on EPS of FY25, and post issue no. of equity shares issued.

Key Risk:

- Raw material cost constitutes a majority percentage of their total expenses. During Fiscal 2025, 82.69% of their raw materials were procured from their top five suppliers, calculated as a percentage of the total cost of materials consumed, including changes in inventories of finished goods, stock in trade, and work in progress. Any increase in the prices, availability, or quality of raw materials could adversely affect their reputation, business, and results from operations, financial condition, and cash flows. They rely on limited suppliers for their primary raw material, steel, and the loss of these suppliers may have an adverse effect on their business, results of operations, and financial condition.

- **High dependency on manufacturing facilities:** The company's operations rely heavily on its manufacturing facilities, which involve risks due to the use of heavy machinery. There have been four fatal incidents at project sites in the past. Any disruption such as slowdown, shutdown, or labor strikes could negatively impact the business.

- **Revenue concentration:** The company generates most of its revenue from designing, manufacturing and installing pre-engineered buildings (77.4% in FY25). A decline in demand for these structures could adversely impact the business and financial performance of the company.

- **Stringent performance & high-quality standard requirements:** The company is held to high quality and performance standards by the customers. Any failure to meet these may result in order cancellations, penalties, or liability claims, potentially impacting the reputation, operations and financial health.
- **Working capital intensive:** The company's operating cash flow declined from FY23 to FY24 because of high working capital requirement which was due to decrease in the trade payables. Decrease in trade payables was due to a shift in purchasing strategy of the company where the company increased import of raw materials from Rs 107.9 cr in FY23 to Rs 171.7 cr in FY24. If operational cash flow remains weak, the company may need to scale down the business and could face challenges in meeting financial obligations, impacting the overall stability and performance.
- Business is dependent on their design and engineering teams to accurately carry out the pre-approval engineering studies for potential orders. Inability of the design and engineering teams to accurately estimate the cost of the project and to execute an order would have an adverse impact on their business, results of operations, financial condition, and cash flows.
- Company is dependent on third-party contract labourers for several aspects relating to its manufacturing activities. Any disruption in the supply of contract labour or the inability to control the composition of contract labour could adversely affect the company's business, results of operations, financial condition, and cash flows.
- The company's Cheyyar Facility and certain of its offices are located on leased premises. There can be no assurance that these lease agreements will be renewed upon termination or that the company will be able to obtain other premises on lease on the same or similar commercial terms, which could adversely affect its business, results of operations, financial condition, and cash flows. Additionally, there exists a conflict of interest between members of the Promoter Group—Manibhai & Brothers, Manibhai & Brothers (PCC) Sarkhej, Manibhai & Brothers (Charitable Trust), and Avichal Projects LLP—and the lessors of the immovable properties.

Valuation:

Ahmedabad-based M&B Engineering Ltd is one of India's leading players in the Pre-Engineered Buildings (PEB) and self-supported steel roofing segment, this leadership enables competitive advantages such as cost efficiency through economies of scale and enhanced pricing power.

M&B Engineering's strength lies in its integrated operations, in-house design and engineering teams, widespread execution track record, and a diversified customer base across industrial and infrastructure sectors. The company also benefits from long-standing relationships with marquee clients such as Adani Group, Tata Advanced Systems, Alembic Pharma which reinforces customer stickiness.

On the valuation front, based on annualized FY25 earnings, the company is seeking a P/E of 28.5 times, and a post-issue market capitalization of approximately Rs 22,000 million, making the issue appear fully priced at current levels. The company's revenues are likely to see healthy growth in FY26 as its Cheyyar facility (commenced in FY24) was operational for only 5 months in FY25. While high dependence on raw material prices and a limited sector focus remain key risks, its leadership in PEBs, pan-India manufacturing footprint, and steady expansion into global markets (including USA) provide long-term growth visibility. Hence, we recommend a **"SUBSCRIBE FOR LONG TERM"** rating to the issue

DISCLAIMER:

Analyst Certification

The views expressed in this Research Report accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst(s) in this report. The research analysts are bound by stringent internal regulations and also legal and statutory requirements of the Securities and Exchange Board of India (hereinafter "SEBI") and the analysts' compensation are completely delinked from all the other companies and/or entities of Anand Rathi, and have no bearing whatsoever on any recommendation that they have given in the Research Report.

Anand Rathi Ratings Definitions

Analysts' ratings and the corresponding expected returns take into account our definitions of Large Caps, Mid Caps & Small Caps as described in the Ratings Table below:

Ratings Guide (12 months)

	Buy	**Hold**	**Sell**
Large Caps (Top 100 companies)	>15%	0-15%	<0%
Mid Caps (101st-250th company)	>20%	0-20%	<0%
Small Caps (251st company onwards)	>25%	0-25%	<0%

Research Disclaimer and Disclosure inter-alia as required under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

Anand Rathi Share and Stock Brokers Ltd. (hereinafter refer as ARSSBL) (Research Entity, SEBI Regn No. INH000000834, Date of Regn. 29/06/2015, BSE Enlistment Number – 5048 date of Regn 25 July 2024) is a subsidiary of the Anand Rathi Financial Services Ltd. ARSSBL is a corporate trading and clearing member of Bombay Stock Exchange Ltd (BSE), National Stock Exchange of India Ltd. (NSEIL),Multi Commodity Exchange of India Limited (MCX),National Commodity & Derivatives Exchange Limited (NCDEX), and also depository participant with National Securities Depository Ltd (NSDL) and Central Depository Services Ltd. (CDSL), ARSSBL is engaged into the business of Stock Broking, Depository Participant, Mutual Fund distributor.

The research analysts, strategists, or research associates principally responsible for the preparation of Anand Rathi research have received compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors and firm revenues.

General Disclaimer: This Research Report (hereinafter called "Report") is meant solely for use by the recipient and is not for circulation. This Report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. The recommendations, if any, made herein are expression of views and/or opinions and should not be deemed or construed to be neither advice for the purpose of purchase or sale of any security, derivatives or any other security through ARSSBL nor any solicitation or offering of any investment /trading opportunity on behalf of the issuer(s) of the respective security (ies) referred to herein. These information / opinions / views are not meant to serve as a professional investment guide for the readers. No action is solicited based upon the information provided herein. Recipients of this Report should rely on information/data arising out of their own investigations. Readers are advised to seek independent professional advice and arrive at an informed trading/investment decision before executing any trades or making any investments. This Report has been prepared on the basis of publicly available information, internally developed data and other sources believed by ARSSBL to be reliable. ARSSBL or its directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information / opinions / views. While due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates or representatives of ARSSBL shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way whatsoever from the information / opinions / views contained in this Report. The price and value of the investments referred to in this Report and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance. ARSSBL does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding taxation aspects of any potential investment.

Opinions expressed are our current opinions as of the date appearing on this Research only. We do not undertake to advise you as to any change of our views expressed in this Report. Research Report may differ between ARSSBL's RAs and/ or ARSSBL's associate companies on account of differences in research methodology, personal judgment and difference in time horizons for which recommendations are made. User should keep this risk in mind and not hold ARSSBL, its employees and associates responsible for any losses, damages of any type whatsoever.

ARSSBL and its associates or employees may; (a) from time to time, have long or short positions in, and buy or sell the investments in/ security of company (ies) mentioned herein or (b) be engaged in any other transaction involving such investments/ securities of company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) these and other activities of ARSSBL and its associates or employees may not be construed as potential conflict of interest with respect to any recommendation and related information and opinions. Without limiting any of the foregoing, in no event shall ARSSBL and its associates or employees or any third party involved in, or related to computing or compiling the information have any liability for any damages of any kind.

Details of Associates of ARSSBL and Brief History of Disciplinary action by regulatory authorities & its associates are available on our website i.e. www.rathionline.com

Disclaimers in respect of jurisdiction: This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject ARSSBL to any registration or licensing requirement within such jurisdiction(s). No action has been or will be taken by ARSSBL in any jurisdiction (other than India), where any action for such purpose(s) is required. Accordingly, this Report shall not be possessed, circulated and/or distributed in any such country or jurisdiction unless such action is in compliance with all applicable laws and regulations of such country or jurisdiction. ARSSBL requires such recipient to inform himself about and to observe any restrictions at his own expense, without any liability to ARSSBL. Any dispute arising out of this Report shall be subject to the exclusive jurisdiction of the Courts in India.

Statements on ownership and material conflicts of interest, compensation - ARSSBL and Associates

Answers to the Best of the knowledge and belief of ARSSBL/ its Associates/ Research Analyst who is preparing this report

Research analyst or research entity or his associate or his relative has any financial interest in the subject company and the nature of such financial interest.	No
ARSSBL/its Associates/ Research Analyst/ his Relative have actual/beneficial ownership of one per cent or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report?	No
ARSSBL/its Associates/ Research Analyst/ his Relative have actual/beneficial ownership of one per cent or more securities of the subject company	No
ARSSBL/its Associates/ Research Analyst/ his Relative have any other material conflict of interest at the time of publication of the research report?	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation from the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have managed or co-managed public offering of securities for the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation or other benefits from the subject company or third party in connection with the research report	No
ARSSBL/its Associates/ Research Analyst/ his Relative have served as an officer, director or employee of the subject company.	No
ARSSBL/its Associates/ Research Analyst/ his Relative has been engaged in market making activity for the subject company.	No

NOTICE TO US INVESTORS:

This research report is the product of Anand Rathi Share and Stock Brokers Limited, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated person(s) of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances, and trading securities held by a research analyst account.

Research reports are intended for distribution only to Major U.S. Institutional Investors as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act of 1934 (the Exchange Act) and interpretations thereof by the U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this research report is not a Major U.S. Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated, and/or transmitted onward to any U.S. person which is not a Major U.S. Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major U.S. Institutional Investors, Anand Rathi Share and Stock Brokers Limited has entered into a Strategic Partnership and chaperoning agreement with a U.S. registered broker-dealer: Banc Trust Securities USA. Transactions in securities discussed in this research report should be affected through Banc Trust Securities USA.

1. ARSSBL or its Affiliates may or may not have been beneficial owners of the securities mentioned in this report.
2. ARSSBL or its affiliates may have or not managed or co-managed a public offering of the securities mentioned in the report in the past 12 months.
3. ARSSBL or its affiliates may have or not received compensation for investment banking services from the issuer of these securities in the past 12 months and do not expect to receive compensation for investment banking services from the issuer of these securities within the next three months.
4. However, one or more of ARSSBL or its Affiliates may, from time to time, have a long or short position in any of the securities mentioned herein and may buy or sell those securities or options thereon, either on their own account or on behalf of their clients.
5. As of the publication of this report, ARSSBL does not make a market in the subject securities.
6. ARSSBL or its Affiliates may or may not, to the extent permitted by law, act upon or use the above material or the conclusions stated above, or the research or analysis on which they are based before the material is published to recipients and from time to time, provide investment banking, investment management or other services for or solicit to seek to obtain investment banking, or other securities business from, any entity referred to in this report.

As of the publication of this report, ARSSBL does not make a market in the subject securities.

Registration granted by SEBI, Enlistment as RA and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Additional information on recommended securities/instruments is available on request.

Compliance officer-Deepak Kedia, email id - deepakkedia@rathi.com, Contact no. +91 22 6281 7000.

Grievance officer-Madhu Jain-email id- grievance@rathi.com, Contact no. +91 22 6281 7191

ARSSBL registered address: Express Zone, A Wing, 10th Floor, Western Express Highway, Diagonally Opposite Oberoi Mall, Malad (E), Mumbai – 400097.

Tel No: +91 22 6281 7000 | Fax No: +91 22 4001 3770 | CIN: U67120MH1991PLC064106.