



M&B ENGINEERING LTD



Price Band

₹366 to ₹385

Issue Opens

July 30, 2025 to August 01, 2025

Face Value

₹10

Issue Size

₹650.00 Cr

Lot Size

38 Shares

Listing At

NSE, BSE

M&B Engineering IPO Details

Issue Size

1,68,83,116 shares / ₹650.0 Cr

Fresh Issue

71,42,857 shares / ₹275 Cr

Offer for Sale

97,40,259 shares of ₹10 / ₹375 Cr

Retail Quota

Min. 10% of the Issue Size

Retail Min/Max

₹14,630/1,90,190

M&B Engineering IPO Timeline

Tentative Allotment

Wed, Aug 4 2025

Initiation of Refunds

Mon, Aug 5, 2025

Credit of Shares to Demat

Mon, Aug 5, 2025

M&B Engineering Ltd's Listing Day

Wed, Aug 6, 2025



Objects of The Offer

M & B Engineering Limited is launching its public offering with a combination of Fresh Issue and Offer for Sale. The Net Proceeds from the Issue are proposed to be utilised as follows:

- **Capital Expenditure for Manufacturing Facilities:** The proceeds from the Fresh Issue will be used for the purchase of equipment and machinery, building works, solar rooftop grid, and transport vehicles to support expansion and operational efficiency at the Company's manufacturing facilities.
- **Investment in IT Infrastructure:** Funds will be utilized for the upgradation of IT software to enhance operational capabilities and business performance.
- **Loan Repayment/Pre-payment:** A portion of the proceeds will be used to repay or pre-pay certain term loans availed by the Company, improving its financial position.
- **Shareholder Exit:** The Offer includes an Offer for Sale of equity shares by Selling Shareholders. The Company will not receive any proceeds from this component; the net proceeds will go directly to the Selling Shareholders after deducting applicable expenses and taxes.

About The Company and Business Overview

- Originally incorporated as Manibhai and Brothers (Construction) Private Limited on June 16, 1981, the Company was renamed as M & B Engineering Limited on March 30, 2011. It is an engineering solutions provider for the construction of steel structures in India.
- M & B Engineering Limited is one of India's leading players in the Pre-Engineered Buildings (PEBs) industry. As of March 31, 2025, the Company has an installed capacity of 103,800 MTPA for PEB structures and 1,800,000 sq. m. per annum for Self-Supported Roofing solutions. Its Sanand facility is the only PEB unit in India certified by the American Institute of Steel Construction (AISC).
- **The Company's business is divided into two key divisions:**
- **Phenix Division:** Offers end-to-end solutions for PEBs, including design, engineering, manufacturing, and erection. It has executed over 7,900 projects. **Proflex Division:** Specializes in self-supported steel roofing systems and has a strong presence in industrial applications.

- M & B Engineering delivers turnkey solutions across industrial and infrastructure sectors. The Company uses advanced tools such as STAAD, TEKLA, and multiple automated manufacturing lines to ensure project precision and scalability.
- The Company serves clients across sectors including engineering, food & beverages, logistics, textiles, railways, and warehousing. As of March 2025, it has completed over 9,500 projects. Notable clients include Adani Green Energy, Tata Advanced Systems, and Haldiram Foods. The order book as of June 30, 2025, stood at ₹8,428.38 million.
- It has a pan-India footprint supported by a marketing head office in Ahmedabad and regional offices in Mumbai, Delhi, Pune, Chennai, Bengaluru, Hyderabad, Jaipur, and Kolkata. Internationally, it has served clients in 22 countries including the US, Brazil, South Africa, and Qatar.
- Led by experienced promoters with over 150 years of cumulative industry experience, including Joint Managing Directors Chirag Hasasmukhbhai Patel and Malav Girishbhai Patel, who are actively involved in strategic and operational leadership.
- The Company operates two manufacturing units:
- Sanand (Gujarat) – Installed capacity of 72,000 MTPA, includes a 990 kW solar plant (300 kW expansion planned).
- Cheyyar (Tamil Nadu) – Commissioned in May 2024, with 31,800 MTPA capacity and a similar 990 kW solar plant under installation.

Financial ratios

Financial Ratios	ROCE (%)	ROE (%)	P/E	Industry P/E	EV / EBITDA
Pennar Industries Limited	16.00	12.70	28.10	29.11	11.51
Bansal Roofing Products Limited	22.40	18.20	29.20	29.11	17.90
BirlaNU Limited	-2.58	-7.25	18.99	29.11	29.00
Everest Industries Limited	0.72	-1.98	-240.79	29.11	25.20
Interarch Building Products Ltd.	23.60	18.00	34.00	29.11	22.20
M & B Engineering Limited	24.80	25.13	24.98	29.11	-



Brief profile of the Directors

1. **Chirag Hasmukhbhai Patel** is the Joint Managing Director and a Promoter of the Company. He is 54 years old and has more than 31 years of experience in the pre-engineered buildings, roofing, construction, and manufacturing sectors. He oversees overall operations and strategic functions. He has been associated with the Company since May 1, 1993.
2. **Malav Girishbhai Patel** is the Joint Managing Director and a Promoter of the Company. He is 48 years old and has over 24 years of experience in the sector. He manages sales, marketing, human capital, and administration. He joined the Company on February 1, 2001.
3. **Girishbhai Manibhai Patel** is a Whole-time Director and Promoter of the Company. He is 77 years old with over 40 years of experience in the sector. He holds a diploma in diesel mechanics and has been associated with the Company since December 31, 1984.
4. **Aditya Vipinbhai Patel** is a Whole-time Director and Promoter of the Company. Aged 40 years, he holds a bachelor's degree in engineering and an MBA. He has 13+ years of experience and has led domestic and international business since April 2, 2014.
5. **Birva Chirag Patel** is a Whole-time Director and Promoter of the Company. She is 52 years old with over 16 years of experience. She handles commercial and compliance functions and is a member of the Institute of Company Secretaries of India. Associated since November 1, 2008.
6. **Vipinbhai Kantilal Patel** is a Non-Executive Director and Promoter of the Company. Aged 77 years, he has more than 40 years of experience in the sector. He is an inter-chartered accountant and has been with the Company since December 31, 1984.
7. **Sanjay Shaileshbhai Majmudar** is a Non-Executive and Non-Independent Director of the Company. He is 62 years old, a Chartered Accountant, and has over 38 years of experience in finance. Associated with the Company since April 1, 2011.
8. **Hemant Ishwarlal Modi** is the Non-Executive Chairman and Independent Director of the Company. He is 70 years old and brings over 35 years of experience in the engineering sector. He was previously Vice Chairman at JMC Projects and Director at Sai Consulting Engineers
9. **Subir Kumar Das** is an Independent Director of the Company. He is 71 years old and has more than 36 years of experience in the finance and banking sector. He served as Advisor and Chief General Manager at Bank of Baroda.

Strengths



- **Strategic Focus on Underserved MSME Segment:** MSME Segment Targets mid- to low-income customers in rural/semi-urban regions across 5 Indian states. MSME loans formed 76.34% of AUM as of Mar 31, 2025. Projected MSME sector CAGR: 20-22% till FY27.
- **Widespread Network with Digital Integration:** Operates 158 branches; uses a multi-channel model with 'Laxmi Mitra' app, DSAs, and digital outlets; supports cost-efficient expansion.
- **Healthy Financial Position & Diverse Funding Access:** Net worth grew from ₹1,523.27M (FY23) to ₹2,574.65M (FY25); AUM at ₹12,770.18M. Capital raised from 47 lenders ensures strong liquidity and borrowing terms, even during market disruptions.
- **Sound Asset Quality and Risk Management:** 98.81% of loans secured; GNPA at 1.07%, NNPA at 0.48%; CRAR stable at 20.80%. Prudent ALM and liquidity controls reflect strong risk management.
- **Experienced Management and Governance Credentials:** Led by Deepak Baid; strong leadership and board; certified as 'Great Place to Work' and won 'Company of the Year - Finance'.
- **Inorganic Growth through Targeted Acquisition:** Acquired a ₹533.34M loan portfolio (May 2025), with ~1,750 customers and two branches, helping expand its retail lending footprint.

Key Risk Factors

- **Dependence on Manufacturing Facilities & Operational Hazards:** The company heavily relies on two key manufacturing units located in Gujarat and Tamil Nadu. Disruption due to equipment failure, labor unrest, or accidents (including fatalities) can severely impact operations. Mobile units also face risks from road accidents and natural disasters.
- **Raw Material Price Volatility & Supplier Dependence:** A large portion of raw materials is procured from a few suppliers (82.69% from the top five in FY25), especially steel. Global price fluctuations and the absence of long-term contracts expose the company to cost instability and supply risk.
- **Working Capital Intensity & Cash Flow Management:** The business requires high working capital for materials and receivables. Cash flows from operations have declined. Inconsistent cash generation may lead to borrowing dependence or scaling down operations.
- **Project Execution & Order Book Volatility:** The company's ₹8,428.38 million order book as of June 2025 may not translate into revenue due to execution delays, cancellations (24.28% in FY24), or external disruptions like weather, permits, and subcontractor issues.
- **Customer Concentration & Reliance on Repeat Orders:** The top five customers contributed 42.64% to FY25 revenue. Overdependence on a few customers increases vulnerability to order losses or payment delays.
- **Indebtedness & Compliance with Financial Covenants:** The company had borrowings of ₹1,861.33 million as of March 2025. Breaches in financial covenants or failure to repay on time may impact operations and creditworthiness.

Statement of Profit and Loss



M&B Engineering Ltd

(All amounts are in Indian Rupees millions, unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Income			
Revenue from operations	9,885.54	7,950.60	8,804.70
Other income	83.35	132	85.34
Total Income	9,968.89	8,082.60	8,890.04
Expenses			
Cost of materials consumed and operational expenses	6,748.69	5,771.69	6,563.38
(Increase)/Decrease in inventories of finished goods, stock-in-trade and work in	3.49	-37.71	116.39
Employee benefits expense	989.38	809.09	753.52
Finance costs	199.58	230.58	191.79
Depreciation and amortisation expense	125.18	88.8	103.01
Other expense	880.21	611.31	707.11
Total Expenses	8,946.53	7,473.76	8,435.20
Restated Profit before tax	1,022.36	608.84	454.84
Tax Expense			
Current tax	230.03	157.65	131.37
Deferred tax change/(credit)	21.86	-5.15	-5.45
Total tax expense	251.89	152.5	125.92
Restated Profit for the year	770.47	456.34	328.92
Restated Other comprehensive income/(loss)			
Remeasurement gain/(loss) on defined benefit plans	-10.66	-11.03	-4.11
Restated Other comprehensive income/(loss) for the year, net of tax	-10.66	-11.03	-4.11
Restated total comprehensive income for the year, net of tax	759.81	445.31	324.81
Less/(Add) Non Controlling Interest	-	-2.25	-12
Total comprehensive income for the year (After Non Controlling Interest)	759.81	447.56	336.81
Restated earnings per equity share (nominal value ₹10)			
Basic earnings per share (₹)	15.41	9.17	6.82
Diluted earnings per share (₹)	15.41	9.17	6.82

Valuation and Outlook



M&B Engineering Ltd IPO is expected to be priced between ₹366 to ₹385 per share. At this price, the company is valued at Price-to-Earnings (P/E) ratio of **24.98x** while the industry peers are trading an average of **29.11x**

Name of the Company	Face Value (₹ per share)	Revenue from operations (in ₹)	Basic EPS 2025 (₹)	Diluted EPS 2025 (₹)	P/E	RONW (%)	NAV (₹)
M & B Engineering Limited	10	9885.54	15.43	15.43	24.98	25.14	61.31
Pennar Industries Limited	5	32265.8	8.84	8.84	28.10	11.96	73.99
Bansal Roofing Products Limited	10	966.25	4.2	4.2	29.20	16.71	25.13
BirlaNU Limited	10	36152.3	-43.63	-43.63	18.99	-2.72	1606.51
Everest Industries Limited	10	17228.17	-2.28	-2.28	-340.79	-0.6	377.13
Interarch Building Products Limited	10	14538.25	68.51	68.03	34.00	14.15	451.56

M&B Engineering aims to capitalize on this growth by strengthening its presence in the PEB and roofing segments. The company plans to use IPO proceeds for capital expenditure on machinery, solar grids, and logistics infrastructure, thereby expanding manufacturing capacity and operational scale. Post-issue, a stronger balance sheet is expected to improve the debt-equity ratio, enabling future fundraising and business expansion.

India's GDP is expected to grow at 6.5% in FY26 and maintain momentum till FY31, driven by rising income and government infrastructure initiatives like NIP, PLI, and PM Gati Shakti. These developments are likely to boost steel consumption and industrial construction. The Indian Pre-Engineered Building (PEB) industry is projected to grow at a 9.5-10.5% CAGR between FY25-30, reaching ₹330-345 billion, supported by increased demand from logistics, warehousing, and infrastructure sectors. The self-supported roofing market in India is expected to grow at a 5-7% CAGR during the same period, reaching ₹3.8-4.2 billion.

"Call us on 8448899576" to find out whether or not you should apply.

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