

IPO NOTE

Issue Details

| |
|---|
| Price Band: ₹ 85 to ₹ 90 |
| Issue Opens on: May 21, 2025 |
| Issue Closes on: May 23, 2025 |
| Lot Size: 166 Shares & in Multiples thereafter |

Issue Highlights

| | |
|----------------------|--------------|
| Issue Size: | ₹ 2,150 Cr. |
| No of Shares: | 23,88,88,888 |
| Face Value: | ₹ 5 |

Offer Structure

| Issuance | ₹ in Cr. |
|----------------|-----------------|
| Fresh Issue | 2,150.00 |
| Offer for Sale | - |
| Total | 2,150.00 |

Issue Breakup

| Reservation for | % of Issue | ₹ in Cr. (at upper band) |
|-----------------|------------|--------------------------|
| QIB | 50 | 1,075.00 |
| HNI | 15 | 322.50 |
| Retail | 35 | 752.50 |
| Total | 100 | 2,150.00 |

Listing

BSE & NSE

Lead Managers

- Axis Capital Ltd.
- Jefferies India Pvt. Ltd.
- HSBC Securities and Capital Markets (India) Private Limited
- SBI Capital Markets Ltd.

Registrar

MUFG Intime India Private Limited
(Formerly Link Intime India Pvt. Ltd.)

Contact Details

Analyst

Swapneel Mantri

swapneel.mantri@sushilfinance.com
022-40936034

Sales

Manan Divan

manan.divan@sushilfinance.com
022-40936091/+91 9819819979

COMPANY OVERVIEW

Belrise Industries is an automotive component manufacturing company based in India offering a diverse range of safety critical systems and other engineering solutions for two-wheelers, three-wheelers, four-wheelers, commercial vehicles and agri-vehicles. Their product portfolio includes metal chassis systems, polymer components, suspension systems, body-in-white components and exhaust systems, among others.

They specialize in precision sheet metal pressing and fabrication and are one of the top 3 companies with a market share of 24% in the overall two-wheeler metal components segment in India as of March 31, 2024, in terms of revenue. As of December 31, 2024, we market our products both domestically and internationally, with operations extending to several key global markets including Austria, Slovakia, the United Kingdom, Japan and Thailand.

As of December 31, 2024, the company services a total of 29 OEMs globally. The company has cultivated long standing relationships with customers, including prominent multinational OEMs such as Bajaj Auto Ltd, Honda Motorcycle & Scooter India Pvt. Ltd, Hero MotoCorp, Jaguar Land Rover and Royal Enfield Motors, among others.

As of March 31, 2025, the company operated 17 manufacturing facilities across 10 cities in 9 states in India. Annually, the company's facilities process ~60,000 tons of steel, reflecting its extensive production capacity.

HIGHLIGHTS

1. Distinguished market leader in the high-growth field of precision sheet metal pressing and fabrication within a large and growing automotive component industry
2. Technology-enabled, innovation driven development and process engineering capabilities
3. Vertically integrated manufacturing facilities offering a diverse range of products
4. Longstanding customer relationships developed through years of collaboration and value addition
5. Largely EV-agnostic product portfolio, strategically positioned to scale in tandem with burgeoning electric vehicle market in India

OBJECTS OF THE ISSUE

1. Repayment/ pre-payment, in full or part, of certain borrowings availed by the Company (₹ 1,618.12 Cr.)
2. General corporate purposes

OUR VIEW

Incorporated in the year 1996, Belrise Industries Ltd. is a leading Indian automotive component manufacturer specializing in safety-critical systems and precision engineering solutions. As of March 31, 2025, it operated 17 manufacturing facilities across 10 cities in 9 states in India. Annually, the company's facilities process ~60,000 tons of steel, reflecting its extensive production capacity.

It has a strong export presence with customers in the US, Japan, the UK, and China. Belrise Industries maintains long-standing relationships with over 27 OEMs globally, including major clients such as Bajaj Auto, Tata Motors, Mahindra, Royal Enfield, and Jaguar Land Rover. Belrise has a more focused product range and primarily domestic manufacturing footprint but is expanding through acquisitions such as H-One India.

However, risks to consider are intense competition, fluctuating raw material prices, government policies and regulations, auto sector cyclical demand, capacity utilization concerns, customer reliance risk, inability to effectively execute business plan and growth strategies could adversely affect business, results of operations, financial condition and cash flows.

On the financial front, the Revenue and PAT CAGR for the period of FY22-24 stood at 18% and 9% respectively. The company operated on an EBITDA margin of 12.54% and PAT margin of 4.15% for FY24. Generating ROCE of 11.03% and Debt to Equity of 1x respectively for 9MFY25.

The issue is priced at a P/BV of 2.25 based on its NAV of Rs. 39.75 as at December '24 and if we annualize the FY 24 earnings, P/E stands at 24x. As per RHP, industry average P/E is around 50x and competitors are valued at 62x highest being (Uno Minda Ltd.) and 39x lowest of (Motherson Sumi Wiring India Ltd.)

The company has potential to grow as the electronic vehicle industry is taking the pace. The issue is reasonably priced compared to the competitors. Also, IPO proceeds will primarily reduce its debt burden, improving financial ratios. Looking at all the factors, risks, opportunities and valuation, the investors may invest with long term horizon.

Brief Financials

| PARTICULARS | As at Dec. '24 | ₹ in Million | | |
|-------------------|----------------|--------------|-----------|-----------|
| | | FY '24 | FY '23 | FY '22 |
| Total Income | 60,647.63 | 75,556.73 | 66,207.83 | 54,106.80 |
| Total Expenditure | 57,584.07 | 71,713.75 | 62,640.79 | 51,034.36 |
| EBITDA | 7,670.42 | 9,383.63 | 8,976.57 | 7,634.78 |
| Profit before Tax | 3,063.56 | 3,720.39 | 3,567.04 | 3,072.44 |
| Profit after Tax | 2,454.67 | 3,108.79 | 3,136.63 | 2,618.47 |
| E.P.S. (Diluted) | 3.77 | 4.78 | 4.82 | 4.02 |
| P/E (x) (Diluted) | - | 18.85 | - | - |
| RONW (%) | 9.52 | 13.33 | 15.39 | 15.10 |

* Not Annualised

PRICE CHART (@ ₹ 90) (Retail Category)

| LOT SIZE | Amount |
|----------|----------|
| 166 | 14,940 |
| 332 | 29,880 |
| 498 | 44,820 |
| 664 | 59,760 |
| 830 | 74,700 |
| 996 | 89,640 |
| 1,162 | 1,04,580 |
| 1,328 | 1,19,520 |
| 1,494 | 1,34,460 |
| 1,660 | 1,49,400 |
| 1,826 | 1,64,340 |
| 1,992 | 1,79,280 |
| 2,158 | 1,94,220 |

HNI Payment Chart

| Category | No. of Shares | Minimum Bid Lot Amount(Rs.) |
|-----------|---------------|-----------------------------|
| Small HNI | 2,324 | 209,160 |
| Big HNI | 11,122 | 10,00,980 |

Indicative Time Table

| Tentative Events | Indicative Dates |
|---|------------------|
| Finalisation of Basis of Allotment with the Designated Stock Exchange | 26/5/2025 |
| Initiation of refunds/unblocking ASBA Fund | 27/5/2025 |
| Credit of Equity Shares to demat accounts of Allottees | 27/5/2025 |
| Commencement of trading of the Equity Shares on the Stock Exchanges | 28/5/2025 |

For more details, Please refer RHP,

https://listing.bseindia.com/Download/8888888/PreAnchor/RHP_20250516171041.pdf)

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