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IPO Report

30th July '25

Snapshot

Company is one of India's leading Pre-Engineered Buildings ("PEBs") players (installed capacity being greater than 100,000 MTPA). 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. Company's 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.

VALUATION

Company is bringing the issue at price band of Rs 366-385 per share at p/e multiple of approx. 29x on post issue FY25 PAT basis.

Company is one of the leading players in terms of installed capacity in the domestic PEB industry with presence in international markets & it provide a wide range of specialised products and services, making company a comprehensive solution provider for company's customers. Company has relationships with customers across a diverse set of industries with an order book of ₹8,428.38 million as of June 30, 2025 & has strategically located manufacturing facilities for PEBs with comprehensive in-house design and engineering capabilities and 14 mobile manufacturing units for self-supported roofing systems.

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Price Band (Rs./Share)	366-385
Opening date of the issue	30th July '2025
Closing Date of the issue	01st Aug '2025
No of shares pre issue	5,00,00,000 Eq Shares
Issue Size	Rs 650 Cr
Fresh issue	Rs 275 Cr
Offer For Sale	Rs 375 Cr
Offer For Sale	97,40,259 Eq Shares
Face Value (Rs/ share)	Rs 10/share
Bid Lot	38
Employee Discount	Rs 36/share
Employee	57307 Eq Shares
Lead managers	Equirus Capital Private Limited, DAM Capital Advisors Limited
Registrar to the issue	MUFG Intime India Pvt Ltd

WHAT WE LIKE

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

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Relationships with customers across a diverse set of industries with an order book of ₹ 8,428.38 million as of June 30, 2025

Some of company's 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

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

Company is one of India's leading Pre-Engineered Buildings ("PEBs") players (installed capacity being greater than 100,000 MTPA). 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..



COMPANY BACKGROUND

Company have delivered solutions for its customers engaged in diverse sectors including general engineering and manufacturing, food and beverages, warehousing and logistics, power, textiles, and railways. Company have undertaken execution of over 9,500 projects until the end of March 2025 under company's Phenix and Proflex Divisions.

The Indian PEB industry expanded at a CAGR of ~8.3% over Fiscals 2019-2025 growing from INR 130 billion in Fiscal 2019 to INR 210 billion in Fiscal 2025 (*Source: CRISIL Report*). The self-supported roofing market in India logged a CAGR of 6.1% between Fiscals 2019 and 2025 to reach INR 3.0 billion in Fiscal 2025 (*Source: CRISIL Report*). As per the CRISIL Report, brand, design capabilities, prior experience, pricing, manufacturing capability, project management expertise and pan-India presence are key selection criteria for PEB suppliers. Company believe that its extensive track record, domain experience, established brand presence and market position, paired with its in-house design and engineering, manufacturing, supply, and on-site project management capabilities for the installation and erection of PEBs and self-supported steel roofings supplied by company, positions company to benefit from this growth.

Company's Phenix Division (i) provides comprehensive solutions for PEBs which includes estimation, designing, engineering and manufacturing of PEBs and their components within the controlled environment of its Manufacturing Facilities, which are then supplied, installed and erected under its team's supervision at its customers' manufacturing sites; and (ii) manufactures complex structural steel components for its customers across a variety of end-user industries for projects including the construction of bridges, flyovers, power plant structures and other industrial applications. Company have 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, company's operations are run on SAP-H4 Hana. The integrated Manufacturing Facilities of company's Phenix Division have an annual installed capacity of 103,800 MT as on March 31, 2025 which enable company to provide comprehensive solutions to its customers. Over 15 years of operating company's Phenix Division, have 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, company manufacture and install self-supported steel roofings for projects across India. During the 23-year operational history of company's Proflex Division company have 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 its customers operating in diverse set of end-user industries.

Over 23 years of its operations, company have undertaken execution of over 9,500 projects. In Fiscal 2025, Fiscal 2024, and Fiscal 2023, company have served more than 2,000 customer groups from across diverse industries including from general engineering and manufacturing, food and beverages, warehousing and logistics, power, textiles and railways. Some of company's 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. Company have had a relationship with of more than 15 years with some of its customers. Based on company's execution track record company have developed strong relationships with its customers which is reflected in repeat orders from its customers.

Some of company's 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.



INVESTMENT RATIONALE

<p><i>Company provide a wide range of specialised products and services, making it a comprehensive solution provider for its customers</i></p>	<p>As an integrated manufacturing partner providing ‘design-led-manufacturing’ solutions to its customers, company provide designs, engineering solutions, manufacturing and testing to ensure that its structures meet robust standards in reliability, safety and performance. At the core of company’s operations, company specialize in innovative design, manufacturing and installation of pre-engineered metal buildings, complex structural steel components and self-supported steel roofing. Combining the strengths of company’s Phenix and Proflex divisions, company have the flexibility to cater to requirements of diverse set of its customers, ranging from small scale projects to large scale projects.</p> <p>Company offer solutions to its 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 which company delivered for a Kolkata based shipyard. Company believe that its experience of handling over 9,500 projects spanning terrains, geographical regions, end-use applications, customer specification for span length and materials, delivery timelines and size have enabled company to demonstrate to its customers as well as potential customers company’s credentials.</p>
<p><i>Strategically located manufacturing facilities for PEBs with comprehensive in-house design and engineering capabilities and 14 mobile manufacturing units for self-supported roofing systems</i></p>	<p>Company is one of India’s leading Pre-Engineered Buildings (“PEBs”) players (installed capacity being greater than 100,000 MTPA). Company’s 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. (Source: CRISIL Report).</p> <p>The cost of transportation of PEB components constitutes a part of the overall pricing of the project. Company have two manufacturing facilities at Sanand, Gujarat and Cheyyar, Tamil Nadu for the manufacturing of PEBs and complex structural steel components. Company’s 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 its Cheyyar Facility is well placed to cater to the requirements of potential customers in South India. Company has utilized land area of around 33,737.75 square metres in Sanand Facility and 21,917.76 square metres in Cheyyar Facility.</p>
<p><i>Experienced and dedicated promoters and professional management team with domain knowledge</i></p>	<p>Company is led by experienced Promoters in the PEB and structural steel industry and the self-supported steel roofing industry. Company’s Promoters are actively involved in the critical aspects of its business including business development, engineering, manufacturing operations, quality assurance, marketing and finance.</p> <p>Company’s organizational structure is designed to support seamless scaling and adaptation to market changes. Company have specialized 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 company to be well-equipped to respond to evolving industry demands and opportunities. Company’s Promoters, together with company’s Key Managerial Personnel, Senior Management Personnel and dynamic Board, with their hands-on management approach ensure that strategic initiatives are effectively implemented across the organization. The depth and breadth of company’s management teams’ expertise is pivotal in navigating the complexities of company’s business landscape. Their industry experience enables company to anticipate and address market trends, manage and grow company’s operations, maintain and leverage customer relationships and respond to changes in customer preferences.</p>



OBJECTS OF OFFER

The Offer consists of the Fresh Issue aggregating up to ₹2,750.00 million and the Offer for Sale aggregating up to ₹3,750.00 million.
The Fresh Issue

Requirement of funds

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

RISKS

Company's business is dependent on and will continue to depend on its Manufacturing Facilities, and it is subject to certain risks in company's manufacturing process due to the usage of heavy machinery in its manufacturing operations. In the past, there have been four instances of death in the course of company's operations at its project sites. Any slowdown or shutdown in company's manufacturing operations or strikes or work stoppages could have an adverse effect on company's business, cash flows, financial condition and results of operations.

Source:RHP

INDUSTRY OVERVIEW

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.

Furthermore, structural steel has multiple applications in the power segment in transmission towers and substations because of durability and low thermal conductivity. It is also being used in the renewable sector (equipment manufacturing). Hence, increasing capacity additions in the power segment will augment overall industry growth.


Consolidated Financials

(Rs in Mn)

Financials	FY23	FY24	FY25
Total Revenue (A)	8804.70	7950.60	9885.54
Total Expenditure (B)	8140.40	7154.38	8621.77
EBIDA	664.30	796.22	1263.77
EBIDTA Margin	7.54	10.01	12.78
Other Income	85.34	132.00	83.35
Depreciation	103.01	88.80	125.18
EBIT	646.63	839.42	1221.94
Interest	191.79	230.58	199.58
PBT	454.84	608.84	1022.36
Share of profit in Asso	0.00	0.00	0.00
PBIT	454.84	608.84	1022.36
Exceptional	0.00	0.00	0.00
PBT	454.84	608.84	1022.36
Tax	125.92	152.50	251.89
PAT	328.92	456.34	770.47
NPM	3.74	5.74	7.79
ROE%	18.89	19.68	25.14
EPS	6.82	9.17	15.41
Eq Cap	200.00	500.00	500.00
Net Worth	1,805.12	2,330.32	3,065.34

(Source: RHP)

Peer Comparison

Company Name	Face Value	EPS	P/E	ROE %	NAV
<i>M & B Engineering Limited</i>	<i>10.00</i>	<i>15.41</i>	<i>---</i>	<i>25.41</i>	<i>61.31</i>
Peers					
Pennar Industries Limited	5.00	8.84	25.23	11.96	73.99
Bansal Roofing Products Limited	10.00	4.20	28.39	16.71	25.13
BirlaNU Limited	10.00	-43.63	--	-2.72	1606.51
Everest Industries Limited	10.00	-2.28	---	0.60	377.13
Interarch Building Products Limited	10.00	68.51	33.69	14.35	451.56

(Source: RHP)



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