

Rating: Subscribe

Issue Offer

The IPO is a book-built offering comprising of entirely a fresh issue of 23,88,88,888 shares equity shares with a total issue size of up to INR 21,500 Mn.

Issue Summary

Price Band INR	85-90
Employee Discount INR	NA
Face Value INR	5
Implied Market Cap INR Mn.	80,089.13
Market Lot.	166
Issue Opens on	May 21, 2025
Issue Close on	May 23, 2025
No. of share pre-issue	65,09,90,304
No. of share post issue	88,98,79,192
Listing	NSE, BSE

Issue Break-up %

QIB Portion	≤ 50
Retail Portion	≥ 35
NII Portion	≥ 15

Registrar

Link Intime India Private Ltd

Book Running Lead Managers

Axis Capital Limited
HSBC Securities and Capital Markets
Jefferies India Private Limited
SBI Capital Market Limited

	Pre-Issue	Post-Issue
Promoters	99.81%	73.01%
Public & Others	0.19%	26.99%

Objects of the issue

- Repayment/ pre-payment, in full or part, of certain borrowings availed by the Company;
- General corporate purposes

Belrise, incorporated in 1996 and headquartered in Pune, is a one of the leading Indian manufacturer of automotive components for 2-wheelers, 3-wheelers, 4-wheelers, commercial, and agricultural vehicles. Its product range—including metal chassis systems, plastic components, suspension parts, body-in-white components, and exhaust systems—is largely powertrain-agnostic, enabling it to serve both electric and conventional vehicles. As of March 31, 2025, Belrise operates 17 manufacturing facilities across 10 cities in 9 states with a total annual steel processing capacity of 60,000 tonnes, supported by forward and backward integration. The company supplies 29 OEMs globally, including Bajaj Auto, Honda, Hero MotoCorp, Jaguar Land Rover, and Royal Enfield. With a 24% domestic market share in 2-wheeler metal components as of FY24, the company also has a growing international footprint across Austria, Slovakia, the UK, Japan, and Thailand.

Investment Rationale:

Enhancing Value Through Product Innovation and System Integration: Belrise is strategically positioned for long-term growth by increasing its content per vehicle through high-value, complex products and more integrated systems. The company continues to expand its powertrain-agnostic portfolio—including suspensions, steering columns, and brakes—while focusing on premiumization, especially in chassis systems for premium 2-wheelers. By transitioning from sub-system manufacturing to complete system integration, as seen in its partnership with Honda for a fully assembled 100cc chassis, Belrise aims to move up the value chain from a tier-1 to a tier-0.5 supplier. Additionally, its push for vertical integration, enhanced tool design, and automation is expected to drive cost efficiencies, improve product precision, and strengthen its role as a key partner to OEMs.

Diversifying into EV, Renewable Energy, and CNG Solutions: The company is expanding into high-growth EV and renewable energy sectors. A new Pune facility, operational by Q1FY26, will produce EV hub motors and chargers, aiming to increase its content per 2-wheeler EV to 20-25%. Simultaneously, it is ramping up solar panel sheet metal part production, capitalizing on India's projected 137-145 GW solar capacity addition by FY29. Recent entry into CNG vehicle exhaust systems further diversifies its green energy commitment, positioning it for strong growth in these expanding markets.

Diversified Customer Base and Long-Standing Relationships: Belrise has cultivated relationships with a diversified base of 29 OEMs as of Dec 31, 2024, which include prominent multinational companies. These include Bajaj Auto Limited, Honda Motorcycle & Scooter India Private Limited, Hero MotoCorp Limited, Jaguar Land Rover Limited, and Royal Enfield Motors Limited. The company's ability to serve a wide range of OEMs across different vehicle types (2-wheelers, 3-wheelers, 4-wheelers, CVs, and agri-vehicles) demonstrates its versatility and reduces its dependence on any single customer or vehicle segment.

Strong Market Position and Growth Potential in Key Segments: The company is holding a top 3 position with a 24% market share in the 2-wheeler metal components segment as of Mar 31, 2024. Furthermore, the 2-wheeler metal products market is projected to grow at a CAGR of 3.29% between 2024 and 2029. The Indian 3-wheeler market is also expected to grow at a 5-7% CAGR between 2025 and 2030. Similarly, the 4-wheeler industry is also expected to grow. The company's focus on precision sheet metal pressing and fabrication for 2-wheelers, 3-wheelers, and 4-wheelers, along with its ability to cater to both EVs and ICE vehicles, further enhances its growth prospects.

Valuation and View:

Belrise is a one of the leading auto component manufacturer with strong capabilities in sheet metal fabrication and system integration. Backed by a 24% market share in the domestic 2-wheeler segment and long-standing relationships with 29 global OEMs, the company is well-positioned for growth. It is expanding its content per vehicle through premium, powertrain-agnostic products and moving up the value chain from Tier-1 to Tier-0.5 supplier status. Strategic diversification into EV components, CNG systems, and solar sheet metal parts enhances long-term visibility. These strengths, along with increasing automation and vertical integration, provide a strong foundation for margin expansion. **At the upper band of INR 90, the issue is valued at a PE ratio of 25.76x, based on an EPS of INR 3.493. We are recommending a "Subscribe" rating for this issue.**

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Stock Rating Scale

BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

Absolute Return**Research Analyst
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