



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 agricultural vehicles. The company's product portfolio includes metal chassis systems, polymer components, suspension systems, body-in white components and exhaust systems, among others. The company's products are agnostic primarily to vehicle powertrain types, reflecting its ability to cater to both electric vehicles and internal combustion engine vehicles, thus positioning it favourably to adapt to the growing electric vehicle market. The company specialises in precision sheet metal pressing and fabrication. It is one of the Top 3 companies with a market share of 24% in the overall 2-wheeler metal components segment in India as of March 31, 2024, in terms of revenue. The company also specialises in precision sheet metal pressing and fabrication for three-wheelers and four-wheelers (passenger vehicles as well as commercial vehicles). The company has developed longstanding relationships with its customers, including global OEMs. As of December 31, 2024, the company serviced a total of 29 OEMs globally. The company's top 3 OEM customers collectively accounted for 33.6%, 31.9%, 34.6% and 44.2% of its revenue from operations during the 9MFY25, FY24, FY23 and FY22, respectively. As of December 31, 2024, the company markets its products both domestically and internationally, with operations extending to several key global markets including Austria, Slovakia, the United Kingdom, Japan and Thailand. The company has cultivated long-standing relationships with customers, including prominent multinational OEMs such as Bajaj Auto, Honda Motorcycle & Scooter India, Hero MotoCorp, Jaguar Land Rover and Royal Enfield Motors, among others.

Objects of the issue

The company proposes to utilize net proceeds towards funding the following objects:

- ⇒ Repayment or prepayment, in full or in part, of certain outstanding borrowings made by the company;
- ⇒ General corporate purposes.

Investment Rationale

Technology-enabled, innovation-driven development and process engineering capabilities

The company has a strong track record in process engineering and utilises technology to maintain high levels of manufacturing proficiency across all its facilities. It has developed a range of distinct capabilities in metal processing, polymer processing, and suspension systems, which it applies in the manufacture of its products.

Metal Processing: The company utilises over 700 robots for fabrication, ensuring low defect rates measured in parts per million and high production predictability. These robots have been in operation for several years, and the company has established unmanned manufacturing setups that began supplying seating sub-systems in 2015.

Polymer Processing: The company operates more than 100 injection molding machines with capacities up to 1,800 tons. This process incorporates critical techniques such as gas-assisted injection molding, polyurethane painting, and ultrasonic and vibration welding of plastic parts. This advanced automation enables the company to uphold high-quality standards while optimizing production timelines.

Suspension Systems: The company designs, develops, and manufactures a variety of suspension components, including shock absorbers, springs, forks, and steering columns. These components are produced using precision machining, casting, or forging processes. The company has been granted one patent for its innovative suspension designs.

As of December 31, 2024, the company's design, engineering, and new product development team consists of 159 members. The company has collaborated on engineered products for clients, including the complete chassis system for a commercial vehicle platform from Tata Motors, as well as a fully automated manufacturing line for producing passenger vehicle seat slider systems for a major French automotive component manufacturer. Additionally, the company has set up a front visor manufacturing facility for Bajaj Auto.

Issue Details

Offer Period	21st May, 2025 - 23rd May, 2025
Price Band	Rs. 85 to Rs. 90
Bid Lot	166
Listing	BSE & NSE
Issue Size (no. of shares in mn)	238
Issue Size (Rs. in bn)	21.50
Face Value (Rs.)	5

Issue Structure

QIB	50%
NII	15%
Retail	35%

BRLM	Axis Capital Ltd., HSBC Securities and Capital Markets (India) Private Ltd., Jefferies India Private Ltd., SBI Capital Markets Ltd.
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Registrar	MUFG Intime India Private Ltd.
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Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	99.81	73.01
Public	0.19	26.99
Total	100.00%	100.00%

(Assuming issue subscribed at higher band)

Research Team - 022-61596138

Belrise Industries Limited

Distinguished market leader in the high-growth field of precision sheet metal pressing and fabrication within a large and growing automotive component industry

Belrise Industries is one of the top three companies in India's two-wheeler metal components segment, holding a 24% market share in terms of revenue as of March 31, 2024. The market for two-wheeler metal products is projected to grow at a CAGR of 11-13% over the next five years. Additionally, the global market for two-wheeler metal components was valued at Rs. 1,453.9 billion in 2023 and is expected to grow at a CAGR of 3.3%, reaching approximately Rs. 1,767.3 billion by 2029. The company has strategically located its manufacturing facilities near customer sites, enabling close collaboration to design, engineer, and manufacture products tailored to specific needs. Belrise Industries has demonstrated a strong growth trajectory, achieving a CAGR of 17.8% in revenue between FY22 and FY24. With ample installed capacity and access to land in key automotive hotspots across India, the company is well-prepared to scale its production volumes in response to customer demand. This positions Belrise Industries to effectively capitalise on the expanding markets for two-wheelers, four-wheelers, and commercial vehicles within the country.

Valuation

Belrise Industries is a prominent automotive component manufacturing company in India, specialising in safety-critical systems and engineering solutions for two-wheelers, three-wheelers, four-wheelers, commercial vehicles, and agricultural vehicles. As of FY24, the company holds a significant market share of 24% in the two-wheeler metal components segment, placing it among the top three players in the industry. With 17 manufacturing facilities across 10 cities in nine states, Belrise Industries processes an impressive 60,000 tons of steel annually. The company has plans to expand its product portfolio to include powertrain-agnostic components for electric vehicles, internal combustion engines, and CNG engine types. New offerings will encompass suspensions, steering columns, and brakes, reflecting its adaptability to evolving market demands. Belrise has fostered strong, long-standing relationships with multinational original equipment manufacturers (OEMs), including Bajaj Auto, Honda Motorcycle & Scooter India, Hero MotoCorp, Jaguar Land Rover, and Royal Enfield Motors. Currently, the company is establishing the Pune-V facility to manufacture hub motors and chargers for electric vehicles, targeting operational readiness by Q1FY26. Additionally, Belrise has launched a production line for sheet metal parts for solar panels, supplying a significant North American solar energy company, further diversifying its operations. Financially, the company has demonstrated robust growth, with revenue from operations increasing to Rs. 7,484.2 crores in FY24 from Rs. 5,396.9 crores in FY22. For 9MFY25, revenue from operations totalled Rs. 6,013.4 crores. The profit after tax stood at Rs. 310.9 crores for FY24, indicating a stable PAT margin of 4.1% and a return on equity (ROE) of over 14% over the past three years, showcasing the company's financial health and operational efficiency. **The issue is valued at a price-to-earnings (P/E) ratio of 17.8x on the upper price band based on FY25 earnings (annualise), which is relatively cheaper compared to its peers. Considering the above compelling factors, we recommend a "SUBSCRIBE" rating for this issue.**

Key Risks:

- ⇒ The company generates a significant portion of its revenue from its ten largest customers, making it reliant on these entities. As these key customers are primarily original equipment manufacturers (OEMs) in the automotive industry, any negative changes affecting the financial health of these OEMs, such as a decline in demand for automobiles or specific models, could adversely impact the company's business, operational results, financial condition, and cash flows.
- ⇒ Seven out of 17 manufacturing facilities of the company are located in the state of Maharashtra. This concentration poses a potential risk to regional exposure, which may adversely affect the company's business, results of operations, financial condition, and cash flows.

Belrise Industries Limited

Income Statement (Rs. in millions)

Particulars	FY22	FY23	FY24	9MFY25
Revenue				
Revenue from operations	53,969	65,825	74,842	60,134
Total revenue	53,969	65,825	74,842	60,134
Expenses				
Cost of materials consumed	37,621	41,540	46,850	37,345
Changes in inventories	-168	-504	601	-388
Purchase of SIT	4,743	11,493	12,830	11,659
Employee benefit expenses	2,234	2,359	2,750	2,254
Other expenses	1,991	2,181	2,568	1,809
Total operating expenses	46,421	57,069	65,598	52,680
EBITDA	7,548	8,756	9,244	7,454
Depreciation & amortization	2,457	3,067	3,214	2,469
EBIT	5,091	5,689	6,031	4,985
Finance costs	2,156	2,503	2,902	2,434
Other Income	138	383	714	513
Profit before exceptional item	3,073	3,567	3,843	3,064
Exceptional Item	0	0	122	0
PBT	3,073	3,568	3,720	3,064
Total tax	454	431	620	608
Net Profit	2,619	3,136	3,108	2,455
Diluted EPS	4.0	4.8	4.8	3.8

Cash Flow Statement (Rs. in millions)

Particulars	FY22	FY23	FY24	9MFY25
Cash Flow from operating activities	4,743	7,895	5,824	3,157
Cash flow from/(used in) investing activities	(5,431)	(1,943)	(3,616)	(4,034)
Net cash flows (used in) / from financing activities	386	(5,296)	(1,413)	(860)
Net increase/(decrease) in cash and cash equivalents	(303)	656	794	(1,737)
Cash and cash equivalents at the beginning of the period	707	405	1,062	1,855
Cash and cash equivalents at the end of the period	404	1,061	1,855	119

Source: RHP, BP Equities Research

Belrise Industries Limited

Balance Sheet (Rs. in millions)

Particulars	FY22	FY23	FY24	9MFY25
Assets				
Non-Current Assets				
Property, plant and equipment	23,176	22,437	23,055	24,257
Right of Use Assets	1,202	795	1,789	2,227
Other Intangible Assets	1	1	6	9
Right of use Assets	1,426	1,848	1,540	1,539
Financial Assets				
(i) Investments	519	88	94	590
(ii) Loans	726	661	648	372
(ii) Other financial assets	1,060	741	776	734
Deferred Tax Assets (Net)	-	-	-	-
Other Non-Current Assets	1,175	802	953	2,228
Current Assets				
Inventories	4,614	5,535	5,971	6,578
Financial Assets				
(i) Investments	67	323	1	-
(ii) Trade Receivables	9,335	12,797	12,278	14,568
(iii) Cash and cash equivalents	404	1,062	1,855	119
(iv) Bank balances other than (ii) above	342	350	643	642
(vi) Other financial assets	-	-	10	10
(v) Loans and advances	13	1,151	1,929	2,726
Other current assets	7,897	8,199	8,869	9,277
Total Assets	51,957	56,790	60,417	65,876
Equity and Liabilities				
Equity Share Capital	203	203	3,254	3,254
Other Equity	17,153	20,241	20,144	22,620
Non-controlling interests	-	-	-	-
Total Equity	17,356	20,445	23,399	25,875
Non-Current Liabilities				
Borrowings	16,096	12,453	14,217	13,912
Lease Liabilities	233	584	363	338
Deferred tax liabilities	581	374	150	80
Provisions	44	40	60	75
Other non-current liabilities	873	873	1,429	884
Total Non-Current Liabilities	17,827	14,324	16,219	15,289
Current Liabilities				
Financial Liabilities				
(i) Borrowings	9,883	10,260	10,192	12,086
(ii) Trade Payables	5,512	9,212	7,891	9,465
(iii) Other financial liabilities	722	556	784	1,813
(iv) Lease Liabilities	111	233	268	280
Provisions	7	8	18	24
Income tax liabilities (Net)	47	176	415	85
Other current liabilities	493	1,575	1,226	958
Total Liabilities	34,602	36,344	37,013	40,001
Total Equity and Liabilities	51,957	56,790	60,417	65,876

Source: RHP, BP Equities Research

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil**Analyst (s) Certification:**

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