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IPO Note

M&B ENGINEERING

M&B Engineering Ltd

Rating
SUBSCRIBE

Industry: Pre-Engineered Buildings & Self-Supported Roofing solutions

Date: 29th July, 2025

M&B Engineering Ltd

Issue Highlights

M&B Engineering Ltd IPO is a book-building of Rs. 650 crores. The issue is a combination of a Fresh Issue and Offer for Sale (OFS).

- The Fresh Issue consists of 0.71 crore shares aggregating to Rs. 275.00 Crores at the upper end of the price band at Rs. 385 per share.
- The Offer for Sale (OFS) consists of 0.97 crore shares aggregating to Rs. 375.00 Crores at the upper end of the price band at Rs. 385 per share.

Objects of the Offer are: The net proceeds of the Fresh Issue are to be utilised in the following manner:

Particulars	Rs. Cr
Funding the capital expenditure requirements for the purchase of equipment and machinery, building works, solar rooftop grid and transport vehicles at M&B's Manufacturing Facilities	130.6
Investment in IT software upgradation	5.2
Re-payment or pre-payment of term loans, in full or in part, of certain borrowings	58.8
General corporate purposes*	[•]
Total	[•]

The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Fresh Issue.

Data Source: Company filings & CSEC Research

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30th Jul 2025 **ISSUE OPENS** to 01st Aug 2025 **ISSUE CLOSES**

ISSUE DETAILS	
Price Band	Rs. 366 to Rs. 385 per share
Face Value	Rs. 10 per share
Total Offer Size	1,68,83,116 shares (aggregating up to Rs. 650 Cr)
Fresh Issue	71,42,857 shares (aggregating up to Rs. 275 Cr)
Offer For Sale	97,40,259 shares of Rs. 10 (aggregating up to Rs. 375 Cr)
Issue Type	Book Built Issue IPO
Minimum lot	38 shares
Listing on	BSE, NSE

Date: 29th July, 2025

Outlook

- M&B Engineering is the only Indian PEB company accredited with the American Institute of Steel Construction (AISC) certification, positioning it competitively for North American exports and large-scale industrial projects.
- The Indian PEB market is projected to grow at a CAGR of 9.5–10.5% through FY30, driven by growth in warehousing, logistics, manufacturing, and govt-backed infra spending under schemes like PM Gati Shakti.
- M&B has served over 2,000 clients in the last 3 years; & executed 9,555 projects since inception, with long-standing relationships with industry leaders across infra, pharma, manufacturing, & renewable energy.
- As of June 30, 2025, the company had an order book of Rs. 842.8 Crores.
- Execution ramp-up in high-value projects, including airports, warehousing parks, metro depots, and defence facilities has led to EBITDA margins improving from 7.5% in FY23 to 12.8% in FY25.
- Marked rise in exports was observed which increased 3.4x from Rs. 19.2 Crore in FY24 to Rs. 64.6 Crore in FY25, with shipments to 22 countries and a U.S. subsidiary (MBE Inc.) established to accelerate growth in higher-margin global markets.
- The company operates two strategically located manufacturing units in Sanand (Gujarat) and Cheyyar (Tamil Nadu), enabling access to India's western and southern industrial corridors and proximity to key logistics hubs.
- The mobile Proflex division, which manufactures self-supported curved roofing systems onsite, eliminates transport costs and reduces erection time, making it cost-efficient and scalable for high-volume clients.
- Asset-light project execution in the Proflex division allows M&B to scale volume without proportionate capex, which, coupled with high fixed-cost absorption at existing plants, supports sustainable RoCE expansion.
- Margin-accretive exports are likely to become a structural driver, as international orders are primarily for fabrication only (excluding erection), with favourable currency tailwinds and lower competition intensity.
- At the upper price band of Rs. 385 per share, the IPO values the company at ~28.5x FY25 P/E, which appears reasonable given its improving margin profile, and expanding addressable opportunity in domestic and export PEB markets.
- We have issued a "SUBSCRIBE" rating for M&B Engineering Ltd's IPO for listing gains.

2,200
Market Cap (Rs. Crores) Post Issue

28.6
Post Issue PE Ratio

25.1%
Return on Equity (FY25 ROE%)

70.5%
Promoter Shareholding Post Issue

Indicative Timeline

On or before

Finalization of Basis of Allotment	Mon, Aug 4, 2025
Unblocking of Funds	Tue, Aug 5, 2025
Credit of shares to Demat Account	Tue, Aug 5, 2025
Listing on exchange	Wed, Aug 6, 2025

IPO Reservation

QIB Shares	Not less than 75% of the Net Offer
HNI Shares	Not more than 15% of the Net Offer
Retail Shares	Not more than 10% of the Net Offer

Lot Size

Application	Lots	Shares	Amount
Retail (Min)	1	38	Rs. 14,630
Retail (Max)	13	494	Rs. 1,90,190
S-HNI (Min)	14	532	Rs. 2,04,820
S-HNI (Max)	68	2,584	Rs. 9,94,840
B-HNI (Min)	69	2,622	Rs. 10,09,470

Company Overview

- M&B Engineering Ltd. is one of India's leading players in the Pre-Engineered Buildings (PEBs) segment, with a consolidated installed capacity of 103,800 metric tonnes per annum (MTPA) for PEB structures and 1.8 million square metres per annum for self-supported roofing solutions as of March 31, 2025. The company's operations are organised under two divisions: the Phenix Division, which offers turnkey solutions in PEBs and complex structural steel components; and the Proflex Division, which provides self-supported steel roofing systems.
- The company offers comprehensive end-to-end services including project design, structural engineering, fabrication, and on-site erection tailored to industrial and infrastructure projects. As of March 31, 2025, M&B Engineering has executed more than 9,500 projects across India and international markets through both divisions. Its client base spans across key end-user industries such as general engineering, manufacturing, food and beverages, warehousing and logistics, textiles, power, and railways.
- The Phenix Division has executed over 1,600 projects involving approximately 640,000 MT of PEB and structural steel supply across 22 countries over the last 15 years. The division caters to complex infrastructure requirements, including bridges, flyovers, and industrial facilities, and is supported by a 98-member in-house design and engineering team proficient in STAAD PRO, MBS, TEKLA/TRIMBLE, and other industry-standard software.
- The Proflex Division, operational for over 23 years, has executed more than 7,900 projects involving cumulative installations exceeding 18.5 million square metres of self-supported roofing. The division caters to customers across India through a fleet of 14 mobile manufacturing units equipped with panel forming machinery, cranes, and ancillary equipment.
- M&B Engineering operates two fixed manufacturing facilities: one at Sanand, Gujarat (commissioned in 2008), and another at Cheyyar, Tamil Nadu (commissioned in May 2024). These facilities span approximately 33,738 sq. m and 21,918 sq. m respectively, with a combined PEB capacity of 103,800 MTPA. The Sanand facility, which caters to Western, Northern, and Central India, is recognised by multiple authorities including the Research Design and Standards Organization (RDSO), FM Global, NABL, and the Chief Engineer (Navy). It is also the only PEB manufacturing plant in India certified by the American Institute of Steel Construction (AISC), according to the AISC website.
- The company's notable domestic and international projects include:
  - Over 285,000 sq. m of PEB installation for a textile plant in Madhya Pradesh;
  - A 62,000 sq. m automotive plant in Ahmedabad;
  - A 90,000 sq. m 'A' frame sugar storage structure in Gujarat with a 42 m centre height and 84 m span;
  - Over 5,500 sq. m indoor facility in Texas and an 18,000 sq. m temple structure in New Jersey;
  - More than 300 railway sector projects with 0.6 million sq. m of installed roofing, including a 1.4 km platform at Hubli and customised roofing for Vande Bharat Depots.
- The company has a diversified customer portfolio of over 2,000 client groups served during FY23–FY25. Key customers include Adani Green Energy, Tata Advanced Systems, Intas Pharmaceuticals, Arvind Ltd., Haldiram Foods, and AIA Engineering, among others. The company has established long-standing relationships, with some customer engagements extending beyond 15 years, enabling consistent repeat orders.
- Geographically, M&B Engineering has executed projects in 22 countries, including the US, Brazil, South Africa, Qatar, Nigeria, Kenya, and Sri Lanka. It maintains a domestic marketing head office in Ahmedabad and has regional offices in major cities such as Mumbai, Delhi, Bengaluru, Chennai, and Hyderabad to facilitate customer engagement and regional business development.
- As of March 31, 2025, the company employed 149 project management personnel and maintains ISO-certified quality and safety systems. Its management and operational leadership are structured into specialised teams across both divisions, with cumulative promoter experience of over 150 years in the PEB and self-supported roofing segments.

Data Source: Company filings & CSEC Research

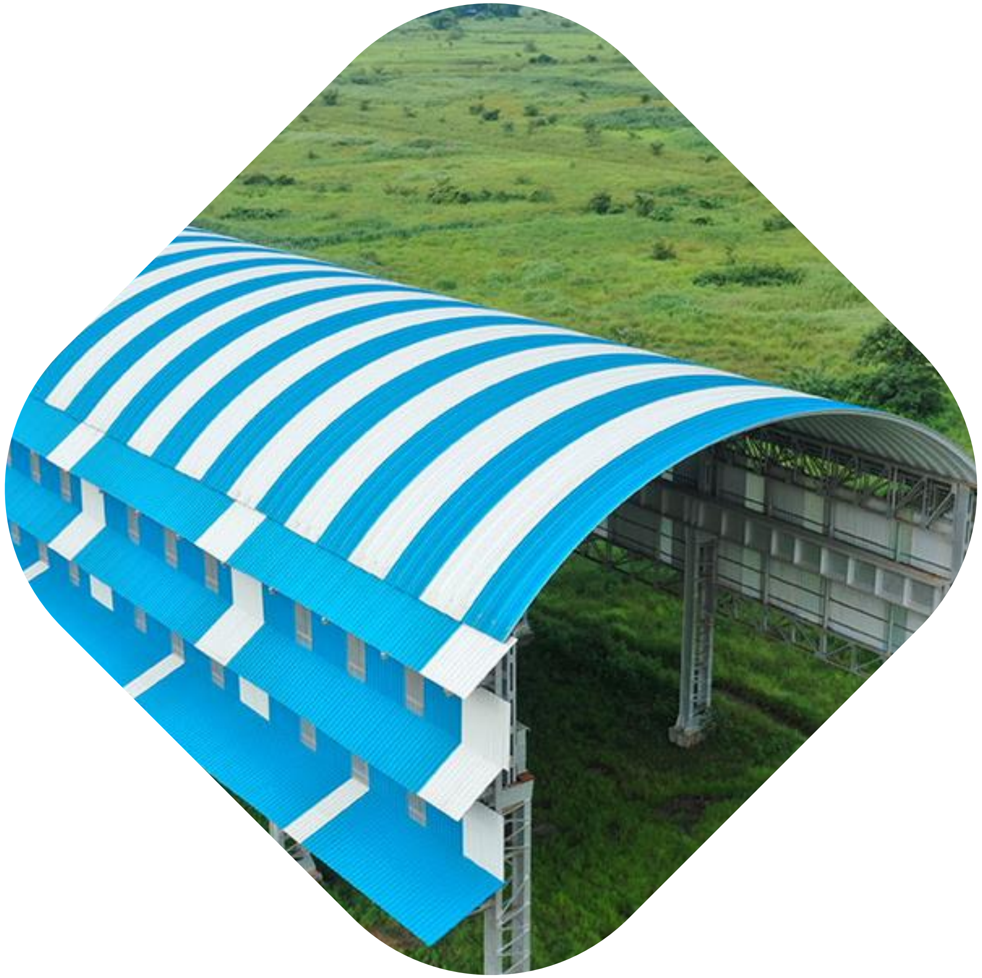
Product Ecosystem

➢ **Phenix Division:**

- The Phenix Division of M&B Engineering Ltd. offers end-to-end, integrated manufacturing solutions for Pre-Engineered Buildings (PEBs) and complex structural steel structures. These solutions encompass estimation, in-house design, structural engineering, fabrication, and final erection at client sites. By managing the entire value chain within controlled environments, the division enables greater quality control, optimized lead times, and improved cost-efficiency.
- A key enabler of the Phenix Division's execution capabilities is its in-house design and engineering infrastructure located across Hyderabad, Chennai, and Ahmedabad. As of March 31, 2025, the company employed 98 design and engineering professionals dedicated to delivering client-specific detailing and continuous process enhancement. The division leverages advanced software tools such as STAAD PRO, STAAD PRO ADVANCED, MBS, TEKLA/TRIMBLE, ZWCAD, and BricsCAD for structural modelling and detailing.
- The design process typically begins with requirement estimation and structural analysis using STAAD. A general arrangement drawing incorporating architectural elements is then prepared and submitted for client approval. Once approved, a full 3D model of the structure is developed using TEKLA software, which forms the basis for generating production shop drawings and erection plans. This integrated workflow facilitates traceability, structural accuracy, and seamless erection at the project site.
- The production scope under this division includes multiple PEB components: primary structural elements such as main frames, columns, solid and open web rafters; secondary structural components such as purlins, girts, and eave struts; claddings made from pre-painted galvalume and PPGL panels with coating variants like RMP, SMP, SVP, and PVDF; and standing seam roofing systems. Accessories such as fasteners, insulation materials, ventilation systems, various types of doors, glazing windows, and ridge vent sealants are also sourced and integrated into project delivery. In addition, the Phenix Division fabricates a variety of structural steel products, including universal beams/channels, European and Indian standard sections, hollow structural sections, flange beams, and angle sections.
- The product offerings under the Phenix Division span across three key categories:
- Pre-Engineered Buildings (PEBs) – These include:
    - Primary Structural Components: main frames, columns, end-wall posts, solid and open web rafters.
    - Secondary Structural Components: purlins, girts, eave struts, cable bracing, angle and pipe bracing, rod bracing, wide bay truss purlins (both cold-formed and hot-rolled).
    - Claddings: made from pre-painted galvalume and PPGL with multiple coating types—RMP, SMP, SVP, PVDF.
    - Roofing Systems: standing seam roof systems designed for durability and weather resistance.
- Accessories – Procured components include fasteners, domes, sliding and roll-up doors, walkways, insulation, roof curbs, fixed ventilators, turbo vents, ridge vent sealants, and glazing windows.
- Structural Steel Products – These include a wide range of sections such as universal beams/channels, Indian and European standard profiles, circular/rectangular hollow sections, parallel flange channels, wide flange beams, and ISMB/ISMC sections.

➢ **Proflex Division:**

- The Proflex Division is focused on the design, manufacturing, and on-site installation of self-supported steel roofing systems. The division operates a fleet of 14 mobile manufacturing units that produce roof panels directly at customer construction sites. Upon project allocation, the company provides structural design input to enable civil work preparation. Post civil completion, the mobile unit is mobilised to the site, where roofing panels are fabricated at ground level, mechanically seamed in groups of three, and installed onto the structure using cranes.
- This on-site manufacturing model allows the Proflex Division to cater to a wide geographical customer base while offering custom-fitted, high-speed roofing solutions. The division has cumulatively executed over 7,900 projects and installed more than 18.5 million square metres of self-supported steel roofing as of March 31, 2025. The solution has been deployed across a variety of sectors including warehousing, logistics, dairy, sugar, railways, and general manufacturing.
- The product offerings under the Proflex Division are self-supported steel roofings. These roofings are manufactured using mobile panel-forming machines and are installed without intermediate support, offering long spans and high load-bearing capacity.



Risks

- **Capacity Expansion Amid Underutilisation:** Despite operating below full capacity over the last three years, the company proposes to expand its Sanand capacity from 72,000 MTPA to 92,000 MTPA and Cheyyar from 31,800 MTPA to 76,800 MTPA using IPO proceeds. The rationale is based on improved order book (Rs. 802.8 Crores as of March 2025 and Rs. 842.8 Crores as of June 2025) and strategic market expectations. However, underutilisation of enhanced capacity could negatively impact return ratios and operational efficiency. During Fiscal 2025, Sanand operated at a capacity utilisation of 63.27% (45,556.49 MTPA of 72,000 MTPA), while the Cheyyar facility, commissioned in May 2024, operated at 23.34% utilisation (6,323.21 MTPA of 31,800 MTPA).

- **Operational and Manufacturing Risks:** The company's business is critically dependent on the efficient functioning of its two manufacturing facilities located in Sanand, Gujarat and Cheyyar, Tamil Nadu. Any disruptions due to mechanical failure, equipment breakdown, power outages, labour unrest, or other unforeseen events may adversely affect production Over the past three fiscals, maintenance expenditure averaged Rs. 2.3 to Rs. 2.5 Crores annually, and future costs may increase. The company's manufacturing activities, which involve heavy equipment such as CNC machines and cranes, expose employees to safety hazards. There were four fatalities at project sites and three incidents involving mobile units in recent years. Though these did not materially disrupt operations, future incidents may have operational, reputational, and financial consequences.

- **Product and Demand Concentration:** A significant share of revenues is derived from the design, manufacture, and installation of pre-engineered buildings (PEBs). As of Fiscal 2025, 57.3% of revenues were from repeat customers, with the top five customer groups accounting for 42.6%. A decline in industrial capital expenditure, demand fluctuations, or loss of key clients could materially impact order inflow and financial performance. Moreover, the company operates predominantly in the PEB and self-supported roofing sub-segments within the broader construction industry. This concentration exposes it to risks arising from cyclical downturns, adverse changes in customer preference, or policy shifts affecting these specific applications.

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Risks

- **Working Capital and Inventory Management:** The business is working capital intensive, with inventory holding periods ranging from 72 to 119 days over the past three fiscals. Inventory build-up is driven by future business expectations, site delays, and volatility in raw material prices. Trade receivables ranged between 49 and 71 days, while trade payables ranged from 43 to 84 days. Inadequate working capital tie-ups or inventory mismatches due to order cancellations may adversely impact liquidity and margin stability.

- **Labour and Third-Party Dependence:** The company's operations rely heavily on third-party contract labour, with 973 contract workers employed as of March 31, 2025. Disruptions in labour supply, wage compliance issues, or disputes with contractors may affect operations and expose the company to legal and financial liabilities. Similarly, dependence on third-party builders and erectors for on-site execution introduces project delivery risk, though no material delays or defaults occurred in FY23–FY25. Expenses toward erection and installation stood at Rs. 72.26 crore (8.08% of revenues) in FY25, up from Rs. 57.9 crore in FY24 and Rs. 57.8 crore in FY23. Delays or defaults by third-party executors could lead to delivery breaches and customer claims.

- **Industry Competition and Regulatory Risks:** The PEB industry in India is fragmented, with the unorganised sector accounting for 53–58% of the market (Source: CRISIL Report). While organised players benefit from better quality and compliance, pricing pressure and limited product differentiation pose risks to margin sustainability. The company also operates in the competitive self-supported roofing segment, which faces challenges such as low customer awareness, shortage of skilled labour, fluctuating steel prices, and a large unorganised supplier base. Regulatory support such as the National Steel Policy and schemes like RoDTEP and Duty Drawback have supported sectoral growth and export competitiveness. A withdrawal or reduction in such policy measures could adversely affect demand and profitability.

- **Foreign Subsidiary Performance:** The U.S.-based subsidiary, Phenix Construction Technologies Inc., incurred losses in FY23 and FY24 due to insufficient scale and high fixed costs. Its profitability depends on order inflow and cost optimisation. Sustained losses may necessitate further financial support from the parent entity, which is subject to regulatory constraints under Indian and U.S. laws.

Financials

Income Statement (Rs. Cr)	FY25	FY24	FY23
Revenue from Operations	988.6	795.1	880.5
Other Income	8.3	13.2	8.5
Total Income	**996.9**	**808.3**	**889.0**
Expenses	862.2	715.4	814.0
EBITDA	**126.4**	**79.6**	**66.4**
EBITDA Margin	12.8%	10.0%	7.5%
Depreciation	12.5	8.9	10.3
EBIT	**113.9**	**70.7**	**56.1**
Finance Cost	20.0	23.1	19.2
PBT	**102.2**	**60.9**	**45.5**
Tax	25.2	15.3	12.6
PAT	**77.0**	**45.6**	**32.9**
EPS (In Rs.)	**15.4**	**9.2**	**6.8**

Balance Sheet (Rs. Cr)	FY25	FY24	FY23
Equity and Liabilities			
Share Capital	50.0	50.0	20.0
Other Equity and Reserves	256.5	183.0	159.5
Borrowings	206.2	217.9	160.6
Other Liabilities	336.5	182.1	218.7
TOTAL EQUITY AND LIABILITIES	**849.2**	**633.1**	**558.8**
Assets			
Fixed Assets	175.6	77.2	78.8
CWIP	2.2	66.2	1.9
Cash & Cash Equivalents	84.8	99.2	125.6
Other Assets	586.7	390.4	352.5
TOTAL ASSETS	**849.2**	**633.1**	**558.8**

Ratios

Particulars	FY25	FY24	FY23
EBITDA Margin (%)	12.8%	10.0%	7.5%
Net Profit Margin (%)	7.8%	5.7%	3.7%
Return on Equity (RoE%)	25.1%	19.7%	18.9%
Return on Capital Employed (RoCE%)	24.8%	19.2%	19.7%

Other Metrics

Particulars	FY25	FY24	FY23
Installed Capacity (MTPA)	1,03,800	72,000	72,000
Installed Capacity for self-roofing systems (square meters)	18,00,000	16,50,000	16,50,000
Number of manufacturing plants (In Number)	2	1	1

Revenue Contribution – Division wise

Particulars	FY25		FY24		FY23	
	Rs. Cr	%	Rs. Cr	%	Rs. Cr	%
Phenix Division	765	77.4%	580	73.0%	629	71.4%
Proflex Division	224	22.7%	215	27.0%	242	27.5%
Total	989	100.0%	795	100.0%	880	100.0%

Number of customers and repeat customers

Particulars	FY25	FY24	FY23
Number of customer and/or customer groups	787	826	741
Number of repeat customer and/or customer groups	246	297	254
Revenues from repeat customers	567	582	578
Revenues from repeat customers as % of our consolidated revenues from operations	57.32%	73.26%	65.61%

Orderbook Break Up

Particulars	30 Jun, 2025	FY25	FY24	FY23
Phenix Division	634	613	438	321
Proflex Division	209	190	153	107
Total	843	803	591	428

Date: 29th July, 2025

Data Source: Company filings & CSEC Research

Revenues split across industries of end-customers

Particulars	FY25		FY24		FY23	
	Rs. Cr	%	Rs. Cr	%	Rs. Cr	%
General Engineering & Manufacturing	54	5.5%	163	20.5%	50	5.7%
Food and Beverages	169	17.1%	153	19.3%	42	4.7%
Warehousing and Logistics	156	15.8%	129	16.2%	239	27.1%
Auto and Auto Ancillaries	170	17.3%	100	12.6%	76	8.6%
Power	88	8.9%	32	4.0%	168	19.1%
Railways	21	2.2%	23	2.9%	19	2.1%
Building Materials	11	1.2%	21	2.7%	18	2.1%
Plastic	3	0.3%	19	2.3%	3	0.4%
Sports & Event Venues	22	2.3%	18	2.2%	13	1.5%
Metals & Mining	23	2.3%	17	2.2%	20	2.3%
Infrastructure	118	12.0%	12	1.5%	19	2.2%
Pharmaceuticals	61	6.2%	11	1.3%	5	0.6%
Scrap Vendors	9	0.9%	8	1.0%	10	1.2%
Construction and Real Estate	4	0.4%	7	0.9%	36	4.1%
Agriculture	2	0.2%	7	0.9%	30	3.5%
EPC & Consultants	0	0.0%	7	0.8%	39	4.5%
Chemicals	7	0.7%	7	0.8%	8	0.9%
Textiles	6	0.7%	6	0.8%	3	0.3%
Packaging	4	0.4%	5	0.7%	11	1.3%
Educational Institutions	6	0.6%	4	0.5%	21	2.3%
Others	53	5.3%	46	5.8%	50	5.7%
Total	**989**	**100.0%**	**795**	**100.0%**	**880**	**100.0%**

Data Source: Company filings & CSEC Research

Revenue Bifurcation - Geography

Particulars	FY25		FY24		FY23	
	Rs. Cr	%	Rs. Cr	%	Rs. Cr	%
Western India	717	72.5%	598	75.2%	602	68.4%
Northern India	100	10.1%	85	10.7%	124	14.1%
Southern India	90	9.1%	71	8.9%	62	7.1%
Eastern India	17	1.7%	22	2.8%	31	3.5%
Outside India	65	6.5%	19	2.4%	60	6.8%
Total	989	100.0%	795	100.0%	880	100.0%

Capacity, Production and Utilisation

Particulars	FY25			FY24			FY23		
	Installed Capacity	Actual Production	Utilisation	Installed Capacity	Actual Production	Utilisation	Installed Capacity	Actual Production	Utilisation
Sanand Facility (PEB) – MTPA	72,000	45,556	63.3%	72,000	41,845	58.1%	72,000	43,483	60.4%
Cheyyar Facility - MTPA	31,800	6,323	23.3%						

Peer comparison

Company	Market Cap (Rs. Cr)	PE Ratio	ROE% (FY25)	ROCE% (FY25)	EBITDA Margin (%)	PEB Manufacturing plants (#)	PEB Installed capacity (MTPA)
M&B Engineering Ltd	2,200	28.6 (Post Issue)	25.1%	24.8%	12.8%	2	1,03,800
Pennar Industries Ltd	3,382	27.5	12.7%	16.0%	9.6%	2	90,000
Bansal Roofing Products Ltd	163	29.4	18.2%	22.4%	9.5%	1	24,000
BirlaNU Ltd (Erst Hil Ltd)	1,726	NA	-2.6%	-7.3%	1.7%	NA	NA
Everest Industries Ltd	837	NA	0.7%	-1.9%	1.7%	2	72,000
Interarch Building Products Ltd	3,648	33.8	23.6%	18.0%	9.4%	5	1,61,000

Data Source: Company filings & CSEC Research

Date: 29th July, 2025

Industry Outlook

- The global construction industry stood at approximately USD 12 trillion in 2022 and is projected to expand to USD 18 trillion by 2030, reflecting a CAGR of 5.2% over the period. Emerging economies in Asia-Pacific, Africa, and Latin America are expected to drive much of this growth, led by urbanisation, industrial expansion, and infrastructure investments. Within this, the global market for pre-engineered buildings (PEBs) is experiencing rapid structural adoption, with an estimated market size of USD 27.1 billion in 2022, forecasted to reach USD 49.1 billion by 2030, growing at a CAGR of 7.6%. This expansion is supported by demand for quicker construction cycles, rising steel usage in building systems, and increasing inclination toward modular and prefabricated construction technologies.
- North America remains the largest market for PEBs globally, supported by standardised design norms, an established contractor ecosystem, and higher labour costs which incentivise off-site fabrication. The United States accounted for over 40% of global PEB demand in 2022. In contrast, Asia-Pacific is expected to register the highest CAGR of 9.4% over 2022–30, supported by industrialisation in India, China, Indonesia, and Vietnam. The Middle East and Africa are witnessing growing demand for PEBs in logistics and warehouse infrastructure, while Latin America is seeing traction in agro-processing and industrial manufacturing. The global structural steel market, closely aligned with PEB adoption, is also on a strong growth trajectory, expected to grow from 135 million tonnes in 2022 to 180 million tonnes by 2030, supported by its use in infrastructure, commercial real estate, and energy projects.
- Within this global context, India represents one of the most promising high-growth markets. The Indian construction industry was valued at USD 701.7 billion in FY23 and is expected to double to USD 1.42 trillion by FY33, registering a CAGR of 7.2%. The sector accounted for 7.6% of national Gross Value Added (GVA) in FY23, and this share is projected to rise to 8.5% by FY33, reflecting increasing public and private capital expenditure. The industrial buildings sub-segment, a key demand driver for steel-based construction, was valued at USD 42.6 billion in FY23 and is projected to grow at a CAGR of 5.7% to USD 74.6 billion by FY33. Growth is expected to be driven by expansions in manufacturing, warehousing, logistics, food processing, auto and ancillary sectors, as well as digital infrastructure such as data centres and cold storage.
- The Indian PEB market, a niche within industrial construction, is currently valued at USD 3.6 billion (FY23) and is expected to grow at a robust CAGR of 9.6% to reach USD 9.1 billion by FY33. PEB penetration in industrial construction remains low at 8.5% but is projected to improve to 12.2% by FY33. The benefits of PEBs—such as 10–15% lower cost compared to RCC, faster execution cycles, minimal site disruption, modularity, and recyclability—are increasingly being recognised across end-use sectors. Demand in FY23 was primarily driven by general manufacturing (35–40%), food and beverages (15–20%), and warehousing/logistics (15–20%). Looking forward, warehousing demand is projected to grow from 307 million sq. ft. in FY23 to 862 million sq. ft. in FY33 (CAGR: 10.9%), while cold storage demand is expected to grow at 16.2% CAGR during the same period. Data centre infrastructure is also projected to expand at a CAGR of 14.6% in floor area terms over FY23–33.
- The structural steel industry, which underpins the PEB market, is similarly expected to witness sustained growth. India's structural steel demand stood at 11 million tonnes in FY23 and is expected to more than double to 23 million tonnes by FY33, growing at a CAGR of 7.5%. This growth is aligned with the government's National Steel Policy (2017), which targets per capita steel consumption of 160 kg by FY31, up from the current 78 kg. Government initiatives such as the PM Gati Shakti Master Plan, National Infrastructure Pipeline (NIP), and PLI schemes for manufacturing are also expected to catalyse demand for steel-intensive construction.
- India's PEB market remains fragmented, with unorganised players contributing 53–58% of overall volumes as of FY23. However, this share is expected to decline over time, as compliance requirements, customer expectations, and project scale increasingly favour integrated, quality-conscious, and technologically advanced players. Organised PEB manufacturers are better equipped with digital engineering tools, certified quality systems, and capacity to handle large-scale projects across diverse industries and geographies.

- In parallel, the self-supported steel roofing segment is gaining traction in India, particularly in sectors like dairy, textiles, sugar, and warehousing. The primary advantage of self-supported roofing lies in its ability to span wide distances without intermediate columns, resulting in better usable area and improved material handling within industrial sheds. While adoption remains below global averages due to low awareness, limited skill base, and a largely unorganised supplier network, the segment has long-term growth potential as infrastructure modernisation accelerates. Mobile manufacturing systems further enhance execution speed, a key differentiator in time-sensitive installations.
- Export potential is another emerging growth lever for Indian PEB and structural steel manufacturers. With cost-competitive steel production and a well-developed fabrication ecosystem, Indian players are well-positioned to supply prefabricated steel structures to markets in Africa, the Middle East, Southeast Asia, and North America. Export incentives such as RoDTEP and Duty Drawback, coupled with GST exemptions for zero-rated supply, enhance the competitiveness of Indian exporters. For example, structural steel used for exports is eligible for a 5% drawback rate. Increasing acceptance of Indian-origin engineered steel structures in the US and Latin American markets is opening new revenue streams for domestic players.
- Key challenges facing the industry include volatility in raw material prices—steel accounting for 50–55% of input costs—dependency on third-party logistics and labour, and regulatory bottlenecks around land approvals and environmental clearances. Moreover, intense pricing competition, especially from the unorganised sector, continues to weigh on margins. Players with integrated operations, strong engineering capabilities, and established client relationships are expected to be better positioned to mitigate these risks.
- In conclusion, both the global and Indian PEB and structural steel industries are positioned for long-term structural growth, driven by macroeconomic tailwinds, evolving construction technologies, and sectoral shifts towards modularity and speed. As India's construction and manufacturing sectors expand in tandem, supported by digital infrastructure, policy incentives, and rising export competitiveness, the addressable market for pre-engineered and steel-based construction solutions is expected to increase materially over the coming decade. Integrated players with execution capabilities across the value chain are likely to benefit disproportionately from this transformation.

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