

ABOUT THE COMPANY: Incorporated in 1981, M&B Engineering has two strategic divisions. The Phenix Division, which focuses on Pre-Engineered Buildings (PEBs) and complex structural steel components for infrastructure and industrial applications; and the Proflex Division, which specializes in self-supported steel roofing solutions using mobile manufacturing units for on-site execution.

KEY BUSINESS INSIGHTS: M&B Engineering Ltd. benefits from a pan-India presence with a strong customer base across 22 countries, which provides it geographical leverage for both domestic and international operations. Its integrated manufacturing facilities ensure efficient delivery, while long-term client relationships in key industrial regions like Gujarat and Maharashtra offer logistical and project execution advantages. The company is well-positioned to leverage India's growing PEB and industrial roofing demand, which has shown an 8.3% and 6.1% CAGR respectively over FY19–25. With in-house SAP HANA-driven systems and a skilled engineering team using advanced 3D modeling tools, it aims to deepen market penetration. Its strategic relationships with marquee clients like Adani, Tata, Intas, and Arvind signal its ability to scale through repeat business and turnkey execution capabilities.

VIEW:

The company has had a stable financial performance for the past three years, where revenue has grown at a CAGR of 6% from 880 Cr in FY 23 to 988 Cr in FY 25, whereas PAT has grown at a CAGR of 53% from 32 Cr in FY 23 to 77 Cr in FY 25. The issue is fairly priced at 25X PE which is at a discount of its listed peers which trade at an average of 30X PE, on the other hand it is priced at 6X PB which is expensive as compared to peer's average at 3X PB. The company has the highest EBITDA margin and PAT margin when compared to its peers. The company is well poised as it can take advantage of expanding margin as it can produce in India and export globally with much better realisations. We recommend **SUBSCRIBE** for the long-term gains.



ISSUE DETAILS	
Price Band (in ₹ per share)	366.00-385.00
Issue size (in ₹ Crore)	650.00
Fresh Issue (in ₹ Crore)	275.00
Offer for Sale (in ₹ Crore)	375.00
Issue Open Date	30.07.2025
Issue Close Date	01.08.2025
Tentative Date of Allotment	04.08.2025
Tentative Date of Listing	06.08.2025
Total Number of Shares (in lakhs)	168.83
Face Value (in ₹)	10.00
Exchanges to be Listed on	BSE & NSE

APPLICATION	LOTS	SHARES	AMOUNT (₹)
Retail (Min)	1	38	14,630
Retail (Max)	13	494	1,90,190
S-HNI (Min)	14	532	2,04,820
S-HNI (Max)	68	2584	9,94,840
B-HNI (Min)	69	2622	10,09,470

BRLMs: Equirus Capital Private Limited, DAM Capital Advisors Limited

PROMOTERS: Girishbhai Manibhai Patel , Chirag Hasmukhbhai Patel , Malav Girishbhai Patel, Birva Chirag Patel, Vipinbhai Kantilal Patel

BRIEF FINANCIALS

PARTICULARS (Rs. Cr)	FY25	FY24	FY23
Share Capital	50.00	50.00**	20.00
Net Worth	306.53	233.03	180.51
Revenue from Operations	988.55	795.06	880.47
EBITDA	126.38	79.62	66.43
EBITDA Margin (%)	12.78	10.01	7.54
Profit/(Loss) After Tax	77.05	45.63	32.89
EPS (in Rs.)	15.41	9.17	6.82
Net Asset Value (in Rs.)	61.31	46.61	36.10
Total borrowings	183.13	204.84	148.75
P/E [#]	25	NA	NA
P/B [#]	6	NA	NA

Calculated at Upper Price Band (386), ** In October 2023 Bonus Shares were issued in the ratio 3:2

OBJECTS OF THE OFFER

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

- Funding the capital expenditure requirements for the purchase of equipment and machinery, building works, solar rooftop grid and transport vehicles at our Manufacturing Facilities (130.58 Cr)
- Investment in IT software upgradation by our Company (5.20 Cr)
- Re-payment or pre-payment of term loans, in full or in part, of certain borrowings availed by our Company (58.75 Cr)
- General corporate purpose

FINANCIAL STATEMENTS

Profit & Loss Statement

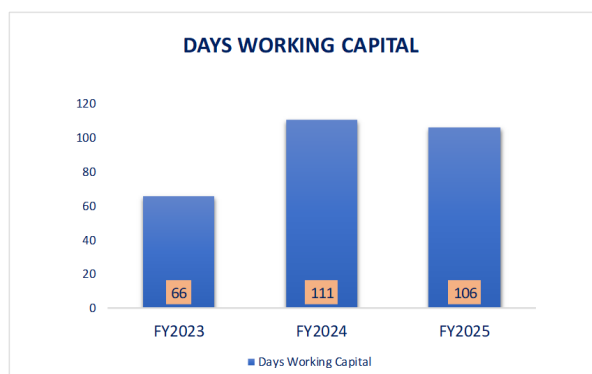
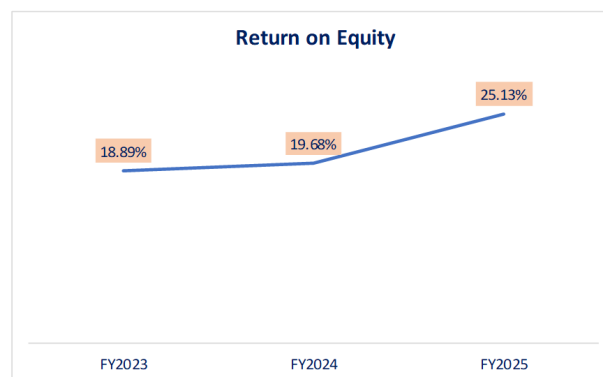
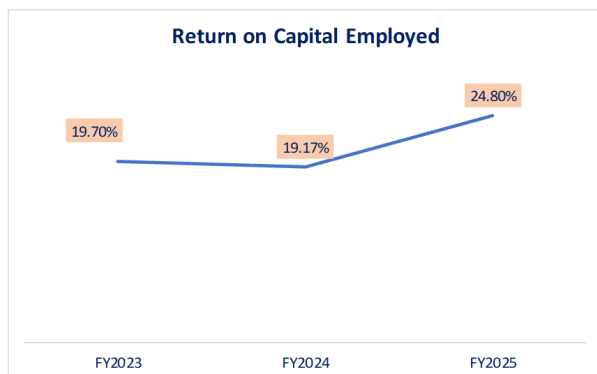
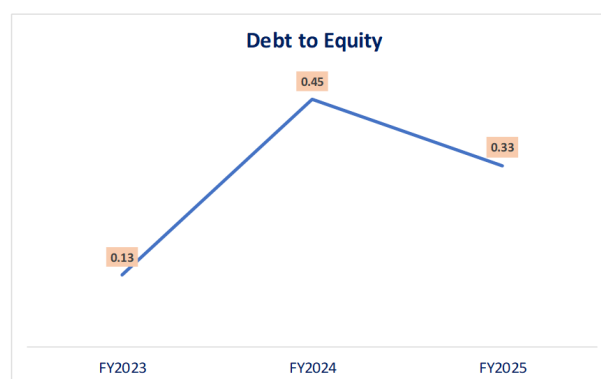
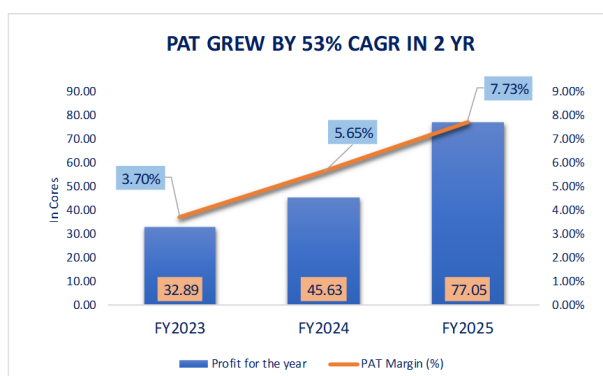
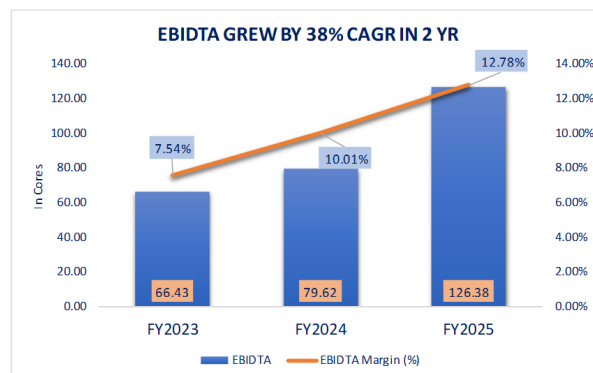
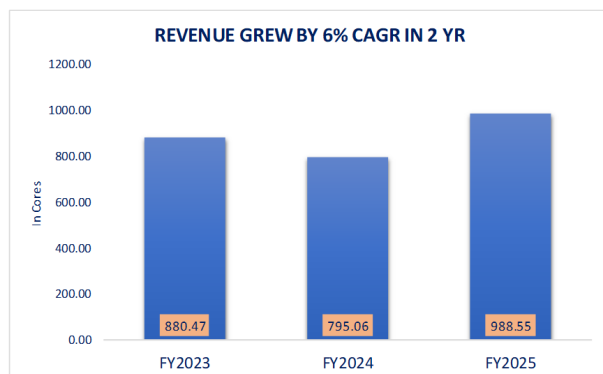
Particulars (In Crores)	FY2023	FY2024	FY2025
INCOME			
Revenue from operations	880.47	795.06	988.55
Other Income	8.53	13.20	8.34
Total Income	889.00	808.26	996.89
YoY Growth (%)	-	-9.08%	23.34%
Cost of Materials Consumed	656.34	577.17	674.87
Employee Benefit Expenses	75.35	80.91	98.94
Changes in WIP and finished	11.64	-3.77	0.35
Other Expenses	70.71	61.13	88.02
EBIDTA	66.43	79.62	126.38
EBIDTA Margin (%)	7.54%	10.01%	12.78%
Depreciation and amortisation expense	10.30	8.88	12.52
EBIT	64.66	83.94	122.19
EBIT Margin (%)	7.34%	10.56%	12.36%
Finance cost	19.18	23.06	19.96
Profit before tax	45.48	60.88	102.24
Tax expenses			
Current tax	13.14	15.77	23.00
Deferred tax	-0.55	-0.52	2.19
Total tax expenses	12.59	15.25	25.19
Profit for the year	32.89	45.63	77.05
PAT Margin (%)	3.70%	5.65%	7.73%
Earnings per share			
Basic earnings per share (₹)	6.82	9.17	15.41

Cashflow Statement

Particulars (In Crores)	FY2023	FY2024	FY2025
Cash generated from operating activities	41.09	23.79	57.05
Income tax paid (net of refunds)	-12.12	-18.13	-21.46
Net cash generated from operating activities	28.97	5.66	35.59
Net cash used in investing activities	-11.94	-62.28	-34.06
Net cash used in financing activities	29.74	31.86	-45.34
Net increase/ (decrease) in cash and cash equivalents	46.76	-24.76	-43.81
Balance as at beginning	51.44	98.20	73.44
Cash and cash equivalent as at year end	98.20	73.44	29.64

Particulars	FY 23	FY 24	FY 25
ASSETS			
Non-current assets			
Property, plant and equipment	74.33	75.53	168.63
Capital work-in-progress	1.86	66.27	2.18
Intangible assets	3.32	1.14	2.40
Right to use assets	1.40	0.54	4.55
Financial assets	0.00	0.00	0.00
(i) Investments	5.12	6.90	5.11
(ii) Loans	0.30	0.30	0.30
(iii) Other financial assets	4.45	3.52	4.66
Total non-current assets	90.57	154.19	187.80
Current assets			
Inventories	174.63	195.80	322.38
Financial assets			
i) Trade receivables	119.22	138.96	192.36
ii) Cash and bank balances	98.20	73.44	29.64
iii) Bank balances other than (ii) above	27.41	25.79	55.18
iv) Loans	0.22	0.45	0.26
v) Other financial assets	0.32	0.34	0.46
Other current assets	48.17	44.27	61.14
Total current assets	468.22	478.96	661.41
Total assets	558.79	633.11	849.21
EQUITY AND LIABILITIES			
Equity	0.00	0.00	0.00
Equity share capital	20.00	50.00	50.00
Other equity	160.51	183.03	256.53
Total equity	180.51	233.03	306.53
Non controlling interest	-0.96	-	-
Non-current liabilities			
Financial liabilities			
i) Borrowings	89.27	43.88	54.21
ii) Lease liabilities	0.55	0.20	3.64
Deferred tax liabilities (net)	4.98	4.36	6.55
Total non-current liabilities	94.80	48.45	64.41
Current liabilities			
Financial liabilities			
i) Borrowings	59.48	160.96	131.92
ii) Lease liabilities	0.81	0.44	1.00
iii) Trade payables	0.00	0.00	0.00
(a) Total outstanding dues of MSME	13.09	2.61	12.67
(b) Total outstanding dues of other than MSME	121.02	90.70	213.97
iv) Other financial liabilities	10.48	12.45	15.39
Short term provisions	13.42	10.41	13.24
Other current liabilities	54.15	73.99	49.05
Total current liabilities	284.44	351.63	478.28
Total equity and liabilities	558.79	633.11	849.21

PERFORMANCE THROUGH CHARTS



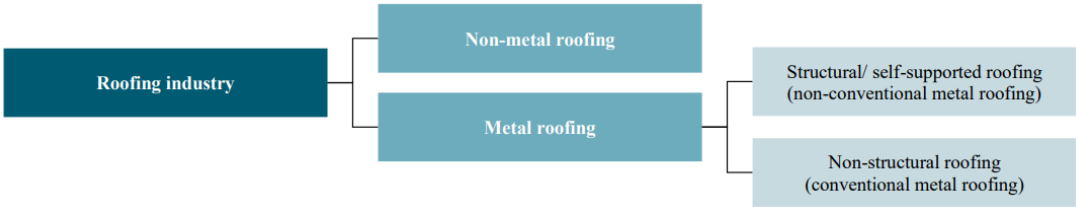
INDUSTRY REVIEW

PRE-ENGINEERED BUILDINGS INDUSTRY IN INDIA

- Pre-engineered construction is gaining popularity in the commercial, infrastructure, and industrial landscape, such as in the automobile, cement, paper sectors, offices, aircraft hangers, warehouses and logistics, and data centres. Use of pre-engineered constructed units enables companies to accelerate the construction process in a cost-effective manner without compromising on quality.
- Pre-engineered buildings were introduced in India during the late-1990s/2000s with the onset of India’s economic growth post liberalisation in 1991. However, the acceptance among consumer verticals began in early-2000 with good growth during 2005- 2010. Pre-engineered buildings started gaining prominence following a strong fixed capital formation in India and increased adoption by customers.
- The industry expanded at a CAGR of 8.3% over fiscals 2019 and 2025, growing from Rs 130 billion in 2019 to Rs 210 billion in fiscal 2025, driven by increased construction investments and growing awareness of PEB and its advantages. The medium-term outlook is optimistic, with the industry expected to clock a CAGR of 9.5-10.5% between fiscals 2025 and 2030 to Rs 330-345 billion, supported by investments in the industrial and infrastructure sectors, such as warehouses and logistics as well as expressways

THE SELF-SUPPORTED ROOFING MARKET IN INDIA

- A self-supported steel roofing system can cover wide spans eliminating supports such as purlins or beams. The span distance that can be achieved depends on various factors including the type of roofing panel utilised, and the safe loads that can be taken by the requirements of the roof. This capability to achieve large spans without any structural and continuous support not only provides additional space, but also reduces the need for extensive support structures, thus offering cost and material saving advantages in construction projects.



- The self-supported steel roofing market in India logged a CAGR of 6.1% between FY19-25 to reach INR 3.0 billion in FY25. This increase in demand can be attributed to growth in infrastructure and industrial segments, which are the major end use segment of self-supported roofing in India, witnessing construction spends of INR 24 trillion and INR 4 trillion, respectively, between FY21-25.
- Moving forward, the self-supported roofing market in India is projected to moderately grow at a CAGR 5-7% between FY25- 30 to reach INR 3.8-4.2 billion by FY30. This growth will be supported by sustained investments in the infrastructure and industrial sectors along with rising awareness of the benefits of self-supported roofing. However, volatility in steel prices and domestic demand will remain key monitorable, given their potential impact on the overall market growth and profitability.

COMPETITIVE STRENGTHS OF THE COMPANY

ONE OF THE LEADING PLAYER IN PEB INDUSTRY WITH PRESENCE IN INTERNATIONAL MARKETS

- The company is one of India's leading Pre-Engineered Buildings ("PEBs") players (installed capacity being greater than 100,000 MTPA). M & B 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.
- The company's business footprint spans across geographies. The company export PEBs as well as complex structural steel components to 22 countries, including the United States of America. Since Fiscal 2010, the company has served customers in 22 countries, including customers in US, Brazil, South Africa, Qatar, Sri Lanka, Morocco, Nigeria, Kenya and Seychelles.
- In Fiscal 2025, Fiscal 2024, and Fiscal 2023 the company's revenue from operations for sales outside India was ₹ 645.98 million, ₹191.99 million, and ₹602.57 million, which represented 6.53%, 2.41%, and 6.84% of its consolidated revenue from operations, respectively.

WIDE RANGE OF SPECIALISED PRODUCTS

- As an integrated manufacturing partner providing 'design-led-manufacturing' solutions to its customers, the 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 its operations, the company specialize in innovative design, manufacturing and installation of pre-engineered metal buildings, complex structural steel components and self-supported steel roofing.
- The company offers 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 it delivered for a Kolkata based shipyard. The company's 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 has enabled it to demonstrate to its customers as well as potential customers its credentials.
- Phenix Division also manufactures complex structural steel components using HR plates, universal beam/ universal channel, Indian sections, circular hollow sections, rectangular hollow sections, parallel flange channels, wide flange beams, W section, equal/ unequal angles, ISMB beams, ISMC channel. The company manufacture these structural steel components using various steel grades including A36, S355, IS 2062-E250, E350, E410 and E450.

CUSTOMERS FROM A DIVERSE SET OF INDUSTRIES

- Over the period of operations, the company has undertaken execution of over 9,500 projects and have established long-term relationships with diverse set of customers across industries. The company believes that its ability to address the varying and stringent customer requirements over long periods enables it to obtain additional business from existing clients as well as new clients.
- Through both its Phenix Division and Proflex Division, the company provide its products and services to a diverse range of customers operating across varied industries. Some of its 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.

RISK FACTORS

EMPLOYEE STRIKES AND FATALITIES

- The company operates two strategically located manufacturing facilities at Sanand and Cheyyar, with the former having a stable installed capacity of 72,000 MTPA and the latter recently commissioned with a capacity of 31,800 MTPA. While the Sanand unit has maintained moderate utilization, the Cheyyar unit is still ramping up. Operational disruptions due to equipment failure, power outages, or external risks like pandemics and political instability could significantly affect production and supply chains.
- Regular maintenance and repairs are critical, with annual spending of over ₹20 million for this purpose in recent years. Unplanned breakdowns or delays in machinery replacement could force shutdowns and impact delivery schedules. The company faces risks of operational halts from system failures or required upgrades, which could escalate costs and affect profitability if not managed efficiently.
- Use of heavy machinery and mobile units involves safety risks, including past fatalities at project sites, though they caused no major disruptions. Employees are covered under ESI, group accident, and workmen's compensation policies, with training measures in place. However, any future incident may impact morale, disrupt operations, and lead to financial liabilities or legal penalties.

DECREASING NET CASH FLOW FROM OPERATIONS FROM FY 23 to FY 24

- The company's net cash flow from operating activities declined significantly from ₹289.70 million in FY23 to ₹56.59 million in FY24, mainly due to a sharp increase in working capital requirements. This rise was driven by a fall in trade payables and an increase in both inventories and trade receivables. A shift in procurement strategy toward imported raw materials contributed to the change.
- The fall in trade payables from ₹1,341.16 million in FY23 to ₹933.14 million in FY24 was due to greater reliance on imported raw materials, which typically offer lower credit periods. Consequently, buyer's credit rose from ₹379.26 million to ₹1,024.13 million. Imports increased from ₹1,078.86 million to ₹1,717.18 million over the same period.
- Despite better operating profit before working capital changes in FY25 at ₹1,250.61 million, the company expects its operations to remain working capital intensive. It warns that continued cash flow strain could force operational scaling back, increased borrowing, or equity dilution—potentially impacting margins and financial stability.

CUSTOMER CONCENTRATION

- The company derives a significant portion of its revenue from repeat orders, with such orders contributing over 57% of revenue in FY25. Despite a growing customer base, dependence on top customer groups remains high—over 54% of FY25 revenue came from the top 10 groups. Any loss, default, or change in procurement behavior by these customers could materially impact financial performance and cash flows.
- While the company handled 787 customer groups in FY25, only 246 were repeat customers, indicating revenue concentration in a relatively small customer segment. The largest customer alone contributed 14.71% of revenue in FY25, suggesting high client dependency. Such concentration limits pricing power, potentially affecting margins in case of renegotiations or loss of contracts.
- Order cancellations, while negligible in FY25 (0.43% of revenue), were significant in FY24 at 24.28%, highlighting volatility. Although the company recovers certain costs upon cancellations, large abandoned projects, like the ₹1,820.68 million factory project in FY23, can strain resources, inflate inventory costs, and disrupt operations. Future cancellations may impact production planning, margins, and liquidity.



PEER COMPARISON

Name of the company	Revenue from Op-erations (in ₹ Cr)	Face Value (Rs per share)	EPS (in Rs)	NAV (Per share Rs)	RoE (%)	P/E*	P/B*
M & B Engineering Limited	989	10	15.41	61.31	25.14	25^	6^
Pennar Industries Limited	3,227	5	8.84	73.99	0.12	30	4
Bansal Roofing Products Limited	97	10	4.20	25.13	0.17	29	5
BirlaNU Limited	3,615	10	-43.63	1606.51	-0.03	0	1
Everest Industries Limited	1,723	10	-2.28	377.13	-0.01	0	1
Interarch Building Products Limited	1,454	10	68.51	451.56	0.14	34	5

Financials are of FY2025 ^ Calculated at upper price band of 385. *Calculated at closing of 24th July 2025



Canara Bank Securities Ltd.
(A Wholly Owned Subsidiary of Canara Bank)



Research Desk

Canara Bank Securities Ltd

SEBI: RESEARCH ANALYST REGISTRATION: INH000001253

BSE: INB 011280238, BSE F&O: INF 011280238

NSE: INB 23180232, F&O: INF 231280232, CDS: 231280232

Maker Chambers III, 7th floor,

Nariman Point, Mumbai 400021

Contact No. : 022 - 43603861/62/63

Email id: researchdesk@canmoney.in

Analyst Certification

We/I, Sankita V, MBA, Mcom Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer (s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation (s) or view (s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Disclosures and Disclaimers

CANARA BANK SECURITIES LTD (CBSL), a wholly owned subsidiary of CANARA BANK, is a SEBI registered intermediary offering broking services to its institutional and retail clients; we also run a proprietary trading desk. CBSL is member of BSE & NSE. We are registered as RESEARCH ANALYST under SEBI (INH000001253). CBSL or its associates do not have an investment banking business. Hence, they do not manage or co manage any public issue. Neither CBSL nor its associates, neither the research analysts nor their associates nor his/her relatives (i) have any financial interest in the company which is the subject matter of this research report (ii) holds ownership of one percent or more in the securities of subject company (iii) have any material conflict of interest at the end of the month immediately preceding the date of publication of the research report OR date of the public appearance (iv) have received any compensation from the subject company in the past twelve months (v) have received any compensation for investment banking merchant banking or brokerage services from the subject company in the past twelve months (vi) have received any compensation for any other product or services from the subject company in the past twelve months (vii) have received any compensation or other benefits from the subject company or third party in connection with the research report. (viii) Research Analyst involved in the preparation of Research report discloses that he /she has not served as an officer, director, or employee of subject company (ix) is involved in market making activity of the company.

We shall adhere to SEBI guidelines from time to time.

We may have earlier issued or may issue in future reports on the companies covered herein with recommendations/ information inconsistent or different those made in this report. We may rely on information barriers, such as "Chinese Walls" to control the flow of information contained in one or more areas within us, or other areas, units, groups or affiliates of CBSL. The Research Desk does not solicit any action based on the material contained herein. It is for the general information of the clients / prospective clients of CBSL. CBSL will not treat recipients as clients by virtue of their receiving the research report. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of clients / prospective clients. Similarly, the Research Desk does not have regard to the specific investment objectives, financial situation/circumstances and the particular needs of any specific person who may receive it. The securities discussed in the report may not be suitable for all investors. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. Persons who may receive the research report should consider and independently evaluate whether it is suitable for his/ her/their particular circumstances and, if necessary, seek professional/financial advice. And such person shall be responsible for conducting his/her/their own investigation and analysis of the information contained or referred to in the research report and of evaluating the merits and risks involved in the securities forming the subject matter of the reports. All projections and forecasts in research reports have been prepared by our research team.

The client should not regard the inclusion of the projections and forecasts described herein as a representation or warranty by CBSL For these reasons; The client should only consider the projections and forecasts described in the research reports after carefully evaluating all of the information in the report, including the assumptions underlying such projections and forecasts. Past performance is not a guide for future performance. Future returns are not guaranteed and a loss of original capital may occur. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. We do not provide tax advice to our clients, and all investors are strongly advised to consult regarding any potential investment. CBSL or its research team involved in the preparation of the research reports, accept no liabilities for any loss or damage of any kind arising out of the use of these reports. The technical levels and trend etc mentioned in our reports are purely based on some technical charts/levels plotted by software used by us and these charts/levels are believed to be reliable. No representation or warranty, express or implied is made that it is accurate or complete. The recommendation expressed in the reports may be subject to change. The recommendations or information contained herein do/does not constitute or purport to constitute investment advice in publicly accessible media and should not be reproduced, transmitted or published by the recipient. This research reports are for the use and consumption of the recipient only. This publication may not be distributed to the public used by the public media without the express written consent of CBSL. The Research reports or any portion hereof may not be printed, sold or distributed without the written consent of CBSL. The research report is strictly confidential and is being furnished to client solely for client's information, may not be distributed to the press or other media and may not be reproduced or redistributed to any other person. The opinions and projections expressed herein are entirely based on certain assumptions & calculations and are given as part of the normal research activity of CBSL and are given as of this date and may be subject to change. Any opinion estimate or projection herein constitutes a view as of the date of this report and there can be no assurance that future results or events will be consistent with any such opinions, estimate or projection. The report has not been prepared by or in conjunction with or on behalf of or at the instigation of, or by arrangement with the company or any of its directors or any other person. Any opinions and projections contained herein are entirely based on certain assumptions and calculations. None of the directors of the company or any other persons in the research team accepts any liability whatsoever for any loss arising from any use of the research report or its contents or otherwise arising in connection therewith. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that the client has read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India (SEBI) before investing in Securities Market. Please remember that investment in stock market is subject to market risk and investors/traders need to do study before taking any position in the market.