

**CMP: INR 104**

**View: Positive**

**Stock Info**

BSE	544405
NSE	BELRISE
Bloomberg	BELRISE.IN
Reuters	BELR.NS

Sector	Auto Components & Equipment's
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Face Value (INR)	5.0
Equity Capital (INR Mn)	3,254
Mkt Cap (INR Mn)	92,627
52w H/L (INR)	111.3/89.15
Avg Yearly Vol (in 000')	103

**Shareholding Pattern %**

(As on March, 2025)

Promoters	73.01
FII	5.35
DII	8.07
Public & Others	13.56

Stock Performance (%)	1D	1W	1M
BELRISE	-1.0	-0.72	11.5
Nifty	0.1	1.2	3.3

**Belrise Vs Nifty**



Abhishek Jain  
[abhishek.jain@arihantcapital.com](mailto:abhishek.jain@arihantcapital.com)  
022 67114851

Jyoti Singh  
[jyoti.singh@arihantcapital.com](mailto:jyoti.singh@arihantcapital.com)  
022 67114834

We visited Belrise's Chakan plants, where the company showcased its product portfolio, including chassis systems, exhaust systems, BIW parts, polymer components, suspensions, Braking system, cross car beams and steering columns. They also demonstrated the processes they follow, stamping, tube bending, fabrication, coating, powder coating, and assembly which are higher number of process compared to the peer to the industry, allowing them to provide higher value addition to the OEM. We also interacted with Swastid Shrikant Badve (Promoter, Chief of Staff), Rahul Shashikant Ganu (CFO), Sunil Kulkarni (CMO and VP), Mr. Amit Joshi (Corporate Finance & IR)

**Investment Rationale:**

**Inorganic strategy remains a key lever for scaling operations in new geographies:** To align its growth with a long-term strategy, the company is considering 1) a BTA with Mag Filters with an investment of INR 16.5 Cr, which covers 2w, 3w, and fast car segments, allowing entry across platforms and gave them access to proprietary air filtration technologies as well as key OEM's vendor code 2) 100% acquisition of H-One India Private Limited, the subsidiary of the Japanese H-One Global, adding lightweight, strategic, and specialized capabilities. The 100% takeover brings expertise in lightweight components and strengthens capabilities to produce components rated at 600–700 MPa and 1,100 MPa meeting global standards. With this H-One's acquisition, now have the capability to operate even upwards of 1,100 MPa, which enables to meet global standards for light-weighting and high-strength body structures. In terms of infrastructure, this acquisition has added two fully operational and very well-equipped, state-of-the-art manufacturing facilities in Greater Noida, in UP and in Bhiwadi, Rajasthan. These plants are equipped with robotic welding systems, high-tensile press lines, and in-house die-manufacturing setups, allowing to execute complex assemblies with high-dimensional accuracy.

**Cross-sell synergy with H-One:** Aims to win faster in the new vehicle model cycle and to leverage its expertise to produce components for a range of models. H-One's acquisition opened two priorities for expansion. Furthermore, the company plans to cross-sell its proven products across its existing portfolio and pursue opportunities in European markets. Weekly, it adds 2 European customers, extending its reach to tier-1 and tier-2 suppliers across the continent.

**Strong traction from 4W/CV:** A Japanese OEM chose Belrise as its single-source supplier. The 2.5–3-year process highlights its ability to become a key supplier at the outset of vehicle development. The H-One's strategic acquisition is in line with this, adding synergy, specialized locations, and under-utilized facilities that will soon align margins with the rest of the business. For PV and commercial segments close to 12% revenue mix are expected to double in 2 years. The components, about 50-55 per vehicle, carry higher margins due to their specialized nature and process-engineered production. The margins for 2-wheelers will follow a similar trajectory.

**Valuation & View:** 1) Content per vehicle is expected to increase, driven by stronger partnerships with OEMs and entry into new segments. For 4Ws, content per vehicle stands at INR 30,000 and the strategy is to cater to larger number of OEMs, while for 2Ws it is INR 12,500, with a target of reaching INR 17,300 by adding three new products. The goal is not only to enhance content per vehicle but also to gain presence in new models. 2) The premium two-wheeler segment is outpacing the commuter segment, positioning the company for stronger growth. While chassis content averages INR 2,500 in the commuter segment, it rises to INR 5,500 in the premium segment, resulting in a 2.2x increase in content per vehicle. 3) The company aims to further boost content per vehicle with leading OEMs by developing proprietary products, both internally and through collaborations, with IP-driven entry barriers. This includes higher investments in R&D, new product development, and testing capabilities. For example, the company has begun manufacturing proprietary suspension systems and historically monopolized steering columns. On steering columns specifically, they secured four orders from three marquee two-wheeler OEMs and one from a major European OEM in FY25. To grow in the mid-teens through both organic and inorganic growth and this would be driven at a stable EBITDA margin going ahead.

## Plant Visit Takeaways

We visited Belrise's Chakan plants, where the company showcased its product portfolio, including chassis systems, exhaust systems, BIW parts, polymer components, suspensions, Braking system, cross car beams and steering columns. They also demonstrated the processes they follow, stamping, tube bending, fabrication, coating, powder coating, and assembly which are higher number of process compared to the peer to the industry, allowing them to higher value addition to the OEMs. We also interacted with Swastid Shrikant Badve (Promoter, Chief of Staff), Rahul Shashikant Ganu (CFO), Sunil Kulkarni (CMO and VP), Mr. Amit Joshi (Corporate Finance & IR)

The assembly shop integrates nearly 250 components, including tyres, suspension, and other parts. They achieved 100% SOPs for leading 2w OEMs in premium segments.

**Robotic:** Premium bikes segments they use robotic welding and fabrication processes due to the complexity and quality standards required. For lower-cost models they have limited robotic automation is used to manage production costs. More than 90% Robotic automation for several processes deployed

**4w:** The company manufactures cross-car beams, and braking assemblies for leading OEMs. The chassis system value per vehicle is significantly higher in 4W and CV segments, ranging from INR 25,000 to INR 30,000.

**Technological advancement is a core focus area.** Stamping capabilities and uses high-tensile steel sheets in the range of 2mm to 4mm thickness. It has the Ability from H-One acquisition to process high tensile steel of ~1,100 MPa and above. The company Intense to invest in IOT

**Fabrication lab is equipped with cumulative 800+** robots across all facilities representing highly automated plants, handling welding and stamping operations efficiently. The company has earned recognition for its operational excellence. The company's received the prestigious JIPM award.

**Coating:** The company uses water-based paint systems. Epoxy-based coding are used for metal finishing and offer lower EV resistance, while acrylic-based paints provide a premium finish and shine, especially for 4W and 2W vehicles. Processes are monitored using SCADA software, which ensures reduced human error, zero defect, and zero rejection rates.

**Mag Filters Acquisition and OEM Expansion:** To diversify and strengthen its market presence, the company acquired Mag Filters at a book value of INR 16.5 Cr. This strategic move enabled access to injection-moulded polymer parts portfolio, complementing their metal components business, and strong OEM relationships in both 2W and 4W segments, which created entry opportunities for the company. The acquisition significantly improved access to the 4W OEM space and expanded their Air filtration portfolio.

**H-One** has given capability of higher durability ~1,100 MPa of tensile steel strength as compared to the previous capability average of ~600 MPa

**Content Per Vehicle:** The company delivers substantial value per vehicle through its various components. In the premium 2W category, the average content per vehicle is around INR ~10,000-12500. For 4Ws, the value is much higher, with chassis systems alone accounting for INR 25,000–30,000 per vehicle. Plastic components for 4W are priced significantly above 2W rates due to size and complexity.

**Quality Control:** To maintain high standards, the company performs rigorous inspections using CMM (Coordinate Measuring Machine) systems. Robotic systems are used to inspect welding, machining, and diameter tolerances in cluster assemblies such as petrol tanks. SCADA software supports the coating process, ensuring each unit passes through degreasing, manual loading, polishing, and accurate robotic coding. Acrylic and epoxy-based coatings are applied in dust-free zones to prevent contamination and maintain quality.

**MS:** 4W contribution to sales is expected to double in the next 2-3 years. The growth they have historically captured in 2W, they aim to drive a similar trajectory in 4W in the long term

**Customer Base & Exports:** Exports 250 parts (up from 190) to Austria, UK, Slovakia. 4W business 12% of total. Exports of 5.8% of manufacturing revenue Expanding via large OEM (luxury segment) cautious due to global risks (FTA, geopolitics).

**2W Strategy:** Focus on CPV increase from INR 10K–12.5K to INR 17.3K via new products (filtration, braking). Raise CPV across all OEMs. Push premium 2Ws for higher CPV & margins.

**Trading Biz:** 20% of revenue and 5-6% margin; <4% of PAT. They do not maintain inventory and operate entirely based on client demand.

**Capex & Returns:** INR 400 Cr annual capex planned for 2 years, out of which INR 120–150 Cr is for maintenance. Target of fixed asset turnover of 2.5–3x. Capacity utilization to rise from 65% → 73–74%, boosting ROCE to high teens.

**Expansion & Margins:** 2 new plants in Bhiwadi & Chennai; 5–6 months' ramp-up expected. Mfg. EBITDA stable for 3 yrs. RM inflation passed in 1-2 quarters. Volatility in EBITDA margins due to change in mix from increasing trading proportion over the last 3 years.

**Gross debt:** INR 1100 cr. The average interest cost on the debt is expected to be around 9–10% over the next 10 to 11 months.

**Arihant Research Desk**Email: [instresearch@arihantcapital.com](mailto:instresearch@arihantcapital.com)

Tel. : 022-42254800

**Head Office**

#1011, Solitaire Corporate Park  
 Building No. 10, 1<sup>st</sup> Floor  
 Andheri Ghatkopar Link Road  
 Chakala, Andheri (E)  
 Mumbai – 400093  
 Tel: (91-22) 42254800

**Registered Office**

6 Lad Colony,  
 Y.N. Road,  
 Indore - 452003, (M.P.)  
 Tel: (91-731) 4217100/101  
 CIN: L66120MP1992PLC007182

**Stock Rating Scale****Absolute Return**

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

**Research Analyst  
Registration No.****Contact****Website****Email Id**

INH000002764

SMS: 'Arihant' to 56677

[www.arihantcapital.com](http://www.arihantcapital.com)[instresearch@arihantcapital.com](mailto:instresearch@arihantcapital.com)**Arihant Capital Markets Ltd.**

1011, Solitaire Corporate park, Building No. 10, 1st Floor,  
 Andheri Ghatkopar Link Road, Chakala, Andheri (E)  
 Tel. 022-42254800

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#### **Arihant Capital Markets Ltd.**

1011, Solitaire Corporate park, Building No. 10, 1st Floor,  
Andheri Ghatkopar Link Road, Chakala, Andheri (E)  
Tel. 022-42254800