

**Rating: Subscribe for long Term**

**Issue Offer**

**Fresh Issue of 5,400,000 equity shares amounting to INR 556.20 Mn**

**Issue Summary**

Price Band INR	97-103
Face Value INR	10
Implied Market Cap INR Mn.	1,915.8
Market Lot	1,200
Issue Opens on	Aug 4, 2025
Issue Close on	Aug 6, 2025
No. of share pre-issue	13,200,000
No. of share post issue	18,600,000
Listing	NSE SME

**Issue Break-up %**

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

**Registrar**

MUFG Intime India Pvt. Ltd. (Link Intime)

**Book Running Lead Managers**

Unistone Capital Pvt Ltd

**Shareholding Pattern**

	Pre-Issue	Post-Issue
Promoters	92.42%	65.59%
Public & Others	7.58%	34.41%

**Objects of the issue**

- To part-finance a new cable manufacturing unit in Khargone, Madhya Pradesh.
- Funding working capital requirements of the Company
- General Corporate Purposes

**Abhishek Jain**

[abhishek.jain@arihantcapital.com](mailto:abhishek.jain@arihantcapital.com)

022-422548871

**Natasha Singh**

[natasha.singh@arihantcapital.com](mailto:natasha.singh@arihantcapital.com)

022-42254876

**Bhadora Industries Limited**, established in 2019 and based in Rajkot, Gujarat, is a precision engineering firm specializing in the manufacturing of forged and machined components used across railway, automotive, and general engineering applications. The company operates a modern integrated facility equipped with CNC and VMC machines, enabling it to maintain stringent quality standards across production processes. Company focus on product customization, engineering precision, and adherence to international quality norms has enabled it to build a reputable position within both domestic and export markets.

**Investment Rationale**

**Strong Entry Barriers Due to Technical Capabilities and Certification Standards:**

Company operates in a segment where precision and compliance with regulatory standards are critical. The company holds ISO 9001:2015 and IATF 16949:2016 certifications, reflecting its adherence to global quality systems. Its expertise in close-tolerance machining and heat-treated forging makes it a preferred vendor for high-specification components. These technical credentials create high entry barriers for new players and reinforce long-term client relationships.

**Focus on Customization and Engineering-Led Product Development:**

One of company's core strengths lies in its ability to develop customized components as per client specifications. It has a dedicated in-house design and development team that supports rapid prototyping and efficient transition to mass production. This engineering-led approach enables the company to address niche requirements across railway and industrial OEMs, giving it a competitive edge over generic component manufacturers.

**Expansion into Value-Added and Margin-Accretive Product Lines:**

Company is gradually expanding into higher-margin product categories that involve more complex machining and assembly. This shift not only supports revenue growth but also boosts profitability by reducing dependence on commoditized, lower-value components. The company's increasing focus on high-precision items such as axle end caps and customized flange assemblies enhances its value proposition in the supply chain.

**Strategic Expansion into High-Value Cable Manufacturing :**

The Company is establishing a new manufacturing facility at Panwa, Madhya Pradesh, to produce XLPE, MVCC, and HT power cables up to 33 kV. This move marks a significant upgrade in its product portfolio, enabling the company to cater to EPC contractors, utility companies, and government infrastructure projects. The facility will leverage advanced automation to improve efficiency and ensure product quality. With HT cables commanding higher margins and rising demand from smart grid and renewable projects, this expansion is expected to enhance profitability, diversify revenue streams, and strengthen company position in the premium cable market.

**Valuation and View:**

The company stands out as a niche engineering-led manufacturer with deep technical capabilities, strong customization focus, and a growing presence in high-specification forged and machined components. Its ability to meet stringent quality standards through backward-integrated operations, coupled with a shift toward value-added products, reinforces its competitive positioning. The company's domain expertise, client-centric engineering approach, and operational efficiency offer a strong foundation for scalable and sustainable growth. With a clear focus on precision, reliability, and market diversification, company is well-placed to capitalize on long-term industrial and infrastructure demand across both domestic and export markets. **At the upper band of INR 97, the issue is valued at a P/E ratio of 17.16x, based on Annualized PAT of FY25 EPS of INR 5.08. We are recommending a "Subscribe for long Term" for this issue currently.**

**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**

BUY  
 ACCUMULATE  
 HOLD  
 NEUTRAL  
 REDUCE  
 SELL

**Absolute Return**

>20%  
 12% to 20%  
 5% to 12%  
 -5% to 5%  
 -5% to -12%  
 <-12%

**Research Analyst  
Registration No.**

INH000002764

**Contact**

SMS: 'Arihant' to 56677

**Website**[www.arihantcapital.com](http://www.arihantcapital.com)**Email Id**[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