

Rating: Subscribe for Long Term

Issue Offer

Fresh Issue of 7,142,857 equity shares up to INR 2,750 Mn and OFS of 9,740,259 shares up to INR 3750 Mn by Promoters group taking the total issue size at 5,71,42,857 shares up to INR 6,500 Mn

Issue Summary

Price Band (INR)	366-385
Face Value (INR)	10
Implied Market Cap (INR mn)	22,000
Market Lot	38
Issue Opens on	July 30, 2025
Issue Close on	August 1, 2025
No. of share pre-issue	50,000,000
No. of share post issue	57,142,857
Listing	NSE / BSE

Issue Break-up (%)

QIB Portion	≥75
NIB Portion	≤15
Retail Portion	≤10

Book Running Lead Managers

Equirus Capital Private Ltd
DAM Capital Advisors Ltd

Registrar

MUFG Intime India Private Ltd

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	100%	70.45%
Public & Others	0%	29.55%

Objects of the issue

**Exp. Amt
(INR Mn.)**

Funding the capital expenditure requirements for the purchase of equipment and machinery, building works, solar rooftop grid and transport vehicles at our Manufacturing Facilities.	1305.79
Investment in IT software upgradation by our Company.	52.00
Re-payment or pre-payment of term loans, in full or in part, of certain borrowing availed by our Company.	587.50

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Utsav Benara

M&B Engineering Limited is engaged in the business of Pre-Engineered Buildings and Self-Supported Roofing solutions. It offers design-led manufacturing solutions, providing design, engineering, manufacturing, and testing to ensure reliable, safe, and high-performance structures, specializing in pre-engineered buildings, structural steel, and steel roofing. The Company provides solutions to customers across various sectors, including general engineering, manufacturing, food and beverages, warehousing, logistics, power, textiles, and railways. The Company operates two manufacturing facilities in Sanand, Gujarat, and Cheyyar, Tamil Nadu, with a combined PEB capacity of 103,800 MTPA. Relationships with customers across a diverse set of industries with an order book of INR 8,428.38 million as of June 30, 2025. Strategically located manufacturing facilities for PEBs with comprehensive in-house design and engineering capabilities and 14 mobile manufacturing units for self-supported roofing systems.

Investment Rationale

Largest and fastest growing D2C home and furnishing solutions destination: It is a home and furnishing solutions provider in India, offering a wide range of products, including mattresses, furniture, and furnishings, through their omni-channel presence. They're the largest D2C home and furnishings company in India in terms of revenue from operations in Fiscal 2024. They are the fastest homegrown player in the home and furnishings market in India among organized peers to achieve a total income of more than INR 10,000 million where INR 9,863.53 million is revenue from operations which has grown at a CAGR of 24.87% from Fiscal 2022 to Fiscal 2024, which is approximately 1.64 times higher than the growth of the average revenue of the organized players.

Full-stack vertically integrated operations with differentiated processes and technical capabilities: Their full-stack vertically integrated operations enable them to control every aspect of their operations, from conceptualizing, designing and engineering their products to manufacturing, distribution and providing customer experience and engagement. Design, engineering, and manufacturing, Supply chain and logistics, Customer experience and engagement, and Data and analytics.

Synergistic, data-driven product category expansion with a focus on scaling their operations: This approach enhances their upsell and cross-sell opportunities, thereby increasing their share in the customer's wallet and customer lifetime value, and also intending to introduce a range of premium products across the product categories like they launched the 'Plus' range products for their mattresses, sofas, and wardrobes, which offer enhanced features and quality. This strategy will enable them to increase the average spend per customer and target a broader customer base, including those seeking premium solutions

Valuation & Outlook. M&B Engineering Limited is the largest and fastest growing D2C home and furnishing solutions destination which is a full-stack vertically integrated operations with differentiated processes and technical capabilities. They are synergistic, and are doing data-driven product category expansion with a focus on scaling their operations. At the upper band of INR 385, the issue is valued at a PE of 28.55x based on FY25 EPS. We are recommending a "Subscribe for Long Term" rating for this issue.

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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%

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