

Belrise Industries Ltd.

Nifty: 24,684 | Sensex: 81,186

IPO Note | 20th May 2025

Sector: Auto Components

Price Range: ₹85 - ₹90

A leading automotive component manufacturer...

Belrise Industries Ltd (BIL), established in 1996, is a leading Indian manufacturer of automotive components, specializing in safety-critical and precision-engineered solutions across vehicle segments, including two-, three-, and four-wheelers, commercial, and agricultural vehicles. In FY24, BIL held a 24% market share in the two-wheeler metal components segment. Its diversified product portfolio spans chassis systems, polymer and suspension components, BIW structures, and exhaust systems for both EVs and ICE vehicles. As of 9MFY25, BIL has built strategic partnerships with 29 global OEMs, such as Bajaj Auto, Honda, Hero MotoCorp, Jaguar Land Rover, and Royal Enfield. The company operates 17 facilities across 10 cities in 9 states, processing 60,000 tons of steel annually.

- ◆ The Indian auto component market is expected to expand at a 9-11% CAGR between FY24-FY29E, reaching ₹12,000-13,000 bn, fuelled by economic recovery (~6.4% GDP growth), robust demand from OEMs and the replacement market.
- ◆ The two-wheeler metal products market size valued at ₹171.2 bn FY24, is projected to grow at an 11-13% CAGR, reaching ₹346-348 billion by FY30, benefiting key industry players like BIL.
- ◆ BIL's revenue grew at a CAGR of ~18% over FY22-24 to ₹ 7,484cr led by a rise in the sale of products, a diversified portfolio, strategic manufacturing expansions & strong OEM demand.
- ◆ EBITDA grew at a CAGR of ~10.7% over FY22-24, while EBITDA margins declined by 160 bps from 14% in FY22 to 12.4% in FY24 due to increase in operating expenses. Consequently, PAT margins contracted by 70 bps to 4.2% in FY24 vs. 4.9% in FY22, while reported PAT grew at ~9% CAGR over FY22-24, reaching ₹311cr in FY24.
- ◆ BIL's strategy to increase content per vehicle driven by industry's shift towards high value components (especially in electric & hybrid vehicles), along with its focus on advanced manufacturing and strategic OEM partnerships, is expected to strengthen its market position and drive long-term profitability.
- ◆ The current net debt to equity ratio is at 1.0x and upon utilisation of net proceeds from the IPO for debt repayment, the net debt/equity ratio will trim down to 0.2x.
- ◆ At the upper price band of ₹90, BIL's is available at a P/E ratio of 25.8x (FY24 EPS), which appears to be reasonably priced compared to its long term profitability and PAT margin expansion owing to improvement in financial metrics.
- ◆ Given its dominant market share, diversified product portfolio, strong presence in EV& IC engine segments, capacity expansions, optimize inventory management and favourable industry outlook, we recommend a "Subscribe" rating for a long-term basis.

Issue Details	
Date of opening	May 21, 2025
Date of closing	May 23, 2025
Total No. of shares offered (cr.)	23.89
Post Issue No. of shares (cr)	89.0
Face Value	₹5
Bid Lot	166 Shares
Minimum application for retail (upper price band for 1 lot)	₹ 14,940
Maximum application for retail (upper price band for 13 lot)	₹ 1,94,220
Listing	BSE,NSE
Employee Discount	-
Lead Managers	Axis Capital Limited, HSBC Securities & Capital Markets Pvt Ltd, Jefferies India Private ltd and SBI capital markets Ltd.
Registrar	MUFG Intime India Private Limited

Issue size (upper price)	Rs.cr
Fresh Issue	2,150.0
OFS	0.0
Total Issue	2,150.0

Shareholding (%)	Pre-Issue	Post Issue
Promoter & Promo. Group.	99.8	73.0
Public & others	0.2	27.0
Total	100.0	100.0

Issue structure	Allocation (%)	Size Rs.cr
Retail	35	752.5
Non-Institutional	15	322.5
QIB	50	1,075.0
Emp. Reservation	-	-
Total	100	2,150.0

Y.E March (Rs cr) Consol.	FY23	FY24	9MFY25
Sales	6582.5	7484.2	6013.4
Growth YoY(%)	22	14	1
EBITDA	875.5	924.5	745.4
Margin(%)	13.3	12.4	12.4
PAT Adj.	313.7	310.9	245.5
Growth (%)	20	-1	-17
EPS	3.5	3.5	2.8
P/E (x)	25.5	25.8	32.6
EV/EBITDA (x)	11.8	11.4	14.3
P/Bv(x)	3.9	3.4	3.1

Purpose of IPO

The issue is primarily a fresh issue of up to 23,88,88,888 equity share totalling ₹2,150cr. The net proceeds from IPO will be utilised for repayment/ prepayment, in full or in part, of certain outstanding borrowings availed by the company (~₹1,618cr) and general corporate purposes.

Key Risks

- ◆ Revenue concentration: ~64% of revenue (9MFY25) is derived from 10 largest customers.
- ◆ ~65% of revenue comes from sale of automotive components for two-wheeler vehicles.
- ◆ Volatility in raw material costs and supply issues can affect business profitability.

Peer Valuation

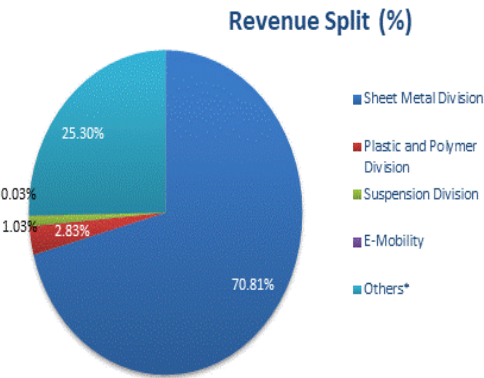
Company	MCap(₹ cr)	Sales (₹ cr)	EBITDA(%)	PAT (%)	EPS(₹)	RoE (%)	P/E(x)	Mcap/Sales	P/BV	EV/EBITDA	CMP(₹)
Belrise Industries Ltd	8,009	7,484	12.4	4.2	3.5	13.3	25.8	1.1	3.4	11.4	90
Bharat Forge Ltd	58,681	15,682	16.4	6.1	19.3	13.7	63.7	3.7	8.0	22.5	1227
Uno Minda Ltd	56,417	14,031	11.3	6.3	15.3	19.4	64.2	4.0	11.4	25.9	983
Motherson Sumi Wiring Ltd	24,970	8,328	12.2	7.7	1.4	42.5	39.1	3.0	14.9	28.8	56
JBM Auto Ltd	17,010	5,009	11.7	3.6	7.5	16.3	95.4	3.4	14.6	40.2	719
Endurance technologies Ltd	31,165	10,241	13.0	6.6	47.9	14.5	46.3	3.0	6.3	19.0	2216
Minda Corp Ltd	11,986	4,651	11.1	4.9	9.5	12.7	52.7	2.6	6.1	19.5	501

Source: Geojit Research, Bloomberg; Valuations of BIL are based on upper end of the price band (post issue), Financials as per FY24 consolidated.



Business Description:

Belrise Industries Ltd (BIL), established in 1996, is a leading automotive component manufacturer in India, specializing in safety-critical systems and engineering solutions for a wide range of vehicles, including two-wheelers, three-wheelers, four-wheelers, commercial vehicles, and agricultural vehicles. BIL sell their products to OEMs in India and overseas, including in Austria, Slovakia, the United Kingdom, Japan and Thailand. The **business verticals** consist of (i) **sheet metal division**, (ii) **plastic and polymer division**, (iii) **suspension division** and (iv) **e-mobility (electric powertrain division)**. Through 28 years of operations, BIL has developed a wide range of capabilities across each of the business verticals, as set out below:



Source: RHP, Geojit Research

Sector/Product Line	Products Supplied
Automotive - Two Wheelers	
Sheet metal based	Chassis, side and main stand, brake pedal/gear clutch lever, swing arm
Polymer based	Visor front, fenders, covers, cowls
Suspension systems	Rear suspension, front forks, steering column, helical springs
Braking systems	Braking assemblies for drum and disc brakes
Automotive – Four Wheelers	
Sheet metal based	Chassis
Polymer based	Centre grill, fog lap cover, battery container, lids
Suspension systems	Rear suspension for sports utility vehicles, front suspension for light commercial vehicle
Non-Automotive	
Polymer refrigerator parts	Fruit and vegetable tray, handles, base
Renewable parts	Solar panel components

source: RHP, Geojit Research

Product Portfolio



Source: RHP, Geojit Research

Key strengths:

- ◆ **Distinguished market leader in the high-growth field of precision sheet metal pressing & fabrication within a large and growing automotive component industry**

BIL is a leading player in India's two-wheeler metal components segment, holds a 24% market share as of March 31, 2024. With the global market projected to grow from ₹1,453.85 billion in 2023 to ₹1,767.28 billion by 2029, BIL is strategically positioned to leverage industry growth through economies of scale and geographic diversification. The company operates within a sector characterized by high entry barriers due to rigorous testing and validation standards, strengthening its market presence. By establishing manufacturing facilities near customer locations, BIL fosters collaboration in designing and producing tailored solutions that align with evolving industry trends and technologies.
- ◆ **Technology-enabled, innovation driven development and process engineering capabilities**
- ◆ **Longstanding customer relationships developed through years of collaboration and value addition**

As of December 31, 2024, BIL service a total of 29 OEMs globally. Notably, the top three OEM customers collectively accounted for 33.58%, 30.45%, 31.91%, 34.64% and 44.20% of the revenue from operations during the nine months period ended December 31, 2024 and 2023 and the Financial Years 2024, 2023 and 2022, respectively.
- ◆ **Vertically integrated manufacturing facilities offering a diverse range of products**

The company operates 17 manufacturing facilities across 10 cities in nine states in India as of March 31, 2025, following its acquisition of H-One. Strategically positioned in key automotive hubs such as Pune, Bhiwadi, Chennai, and Narasapura, Karnataka, these facilities enable efficient product distribution and support the implementation of a 'just-in-time' inventory model, optimizing stock levels and responsiveness to OEM demands. With a diverse portfolio of over 1,000 automotive components—including chassis systems, exhaust systems, body-in-white parts, polymer components, battery containers, suspensions, and steering columns—BIL leverages economies of scale and operational efficiencies. Processing over 60,000 tons of steel annually as of December 31, 2024, the company demonstrates strong production capabilities, reinforcing its position as a key player in precision manufacturing within the automotive industry.

◆ **Largely EV-agnostic product portfolio, strategically positioned to scale in tandem with burgeoning electric vehicle market in India**

Belrise Industries Ltd (BIL) offers a diverse product portfolio, including chassis systems, body-in-white components, polymer components, and suspension systems, all designed to support both electric and internal combustion engine vehicles. In FY24, products compatible with both powertrain types accounted for 56% of revenue. Additionally, revenue from products specifically designed for electric vehicles grew at a CAGR of 24.60%, reaching ₹2,368.79 million in FY 2024 from ₹1,525.70 million in FY 2022, and ₹2,425.88 million during the nine months ended December 31, 2024, up from ₹1,821.36 million during the same period in 2023. This growth underscores BIL's strong position in the evolving automotive market.

Key strategies:

- ◆ *Increase the content per vehicle through new, high value and complex products and more integrated systems.*
- ◆ *Expand the portfolio of electric vehicle and renewable energy products.*
- ◆ *Build a portfolio of proprietary products, in-house and through collaborations.*
- ◆ *Diversify two-wheeler, four-wheeler and commercial vehicle customer base.*
- ◆ *Further grow the aftermarket presence and exports through organic and inorganic initiatives.*

Industry Outlook

CRISIL Intelligence expects auto component market size to grow at 9-11% CAGR between fiscals 2024 and 2029 to reach Rs 12,000-13,000 billion. This is more than the ~9% CAGR during fiscals 2019 to 2024. Long-term growth will appear higher over a low base wherein the auto component industry witnessed a significant decline in the preceding two fiscals (fiscals 2020 and 2021). Demand from all segments has grown further post fiscal 2023. CRISIL Intelligence projects auto component revenue would increase 9-11% in fiscal 2025. The growth in FY25 will be aided by recovery in the economy (GDP growth of ~6.4%), buoyant demand from OEM and replacement market. Auto component exports (accounting for 22% of the overall demand in FY24) are projected to record a 7-9% on year growth in fiscal 2025. The growth would be on the back of demand from North America and Europe which together contribute ~60-65% to the export demand. Export revenues are also expected to be supported by increased global demand and China +1 strategy. The global two-wheeler metal components market was valued at ₹1,453.85 billion in 2023, and is expected to be valued at ₹1,767.28 billion in 2029, growing at a CAGR of 3.29% between 2024 and 2029. (Source: *CRISIL Report*). Further, Indian the two-wheeler metal products market size is projected to grow at a 11-13% CAGR over the next five years through Financial Year 2030.

Promoter and promoter group

The Promoters of the Company are Mr. Shrikant Shankar Badve, Mrs. Supriya Shrikant Badve and Mr. Sumedh Shrikant Badve. As on the date of this Red Herring Prospectus, the Promoters, in aggregate, hold 587,875,424 Equity Shares in the Company, representing 90.30% of the issued, subscribed and paid-up Equity Share capital of the Company, on a fully diluted basis.

As on the date of this Red Herring Prospectus, the Board comprises seven Directors including two Executive Directors, one Non-Executive Non-Independent Director and four Non-Executive Independent Directors (including one woman Independent Director).

Brief Biographies of directors

- ◆ **Shrikant Shankar Badve**, aged 59 years, is the Managing Director of the company. He has been the Managing Director of the company since January 7, 2008. He is primarily responsible for overall business management of the company.
- ◆ **Supriya Shrikant Badve**, aged 55 years, is the Whole-time Director of the company. She holds a master's degree in science from Amravati University. She is primarily responsible for overall business management of the company. She has over 16 years of experience in the areas of management and finance.
- ◆ **Ashok Vishnu Tagare**, aged 79 years, is the Non-Independent Non-Executive Director of the company. He has been a Director of the company since March 1, 2002.
- ◆ **Sangeeta Singh**, aged 62 years, is the Non-Executive Independent Director of the company. She has been the director of the company since October 7, 2024.
- ◆ **Dilip Bindumadhav Huddar**, aged 65 years, is the Non-Executive Independent Director of the company. He has been a Director of the Company since June 22, 2019.
- ◆ **Girish Kumar Ahuja**, aged 78 years, is the Non-Executive Independent Director of the company.
- ◆ **Milind Pralhad Kamble**, aged 58 years, is the Non-Executive Independent Director of the company.

CONSOLIDATED FINANCIALS

PROFIT & LOSS

Y.E March (Rs cr)	FY23	FY24	9MFY25
Sales	6582.5	7484.2	6013.4
% change	13.7%	13.7%	0.9%
EBITDA	875.5	924.5	745.4
% change	16%	6%	-1%
Depreciation	306.74	321.35	246.94
EBIT	568.8	603.1	498.5
Interest	250.34	290.24	243.45
Other Income	38.29	71.43	51.34
Exceptional items	0.00	12.26	0.00
PBT	356.7	372.0	306.4
% change	16%	4%	-13%
Tax	43.04	61.16	60.89
Tax Rate (%)	12.1%	16.4%	19.9%
Reported PAT	313.66	310.88	245.47
Adj	0.00	0.00	0.00
Adj. PAT	313.66	310.88	245.47
% change	19.8%	-0.9%	-17.5%
Post issue No. of shares (cr)	88.99	88.99	88.99
Adj EPS (Rs)	3.52	3.49	2.76
% change	19.8%	-0.9%	-17.5%

CASH FLOW

Y.E March (Rs cr)	FY23	FY24	9MFY25
PBT Adj.	356.7	372.0	306.4
Non-operating & non cash adj.	536.2	540.6	462.9
Changes in W.C	-43.0	-251.8	-385.6
C.F. Operating	789.5	582.4	315.7
Capital expenditure	-165.9	-437.2	-388.3
Change in investment	21.3	61.6	-49.5
Sale of investment	0.0	0.0	0.0
Other invest.CF	-49.7	14.0	34.4
C.F - investing	-194.3	-361.6	-403.4
Issue of equity	0	0	0
Issue/repay debt	-326.55	169.58	158.82
Dividends paid	0	-2.034	0
Other finance.CF	-202.97	-308.88	-244.79
C.F - Financing	-529.53	-141.34	-85.97
Change. in cash	65.71	79.38	-173.68
Opening Cash	40.47	106.17	185.54
Closing cash	106.17	185.54	11.86

BALANCE SHEET

Y.E March (Rs cr)	FY23	FY24	9MFY25
Cash	141.2	249.8	76.0
Accounts Receivable	1279.8	1227.8	1456.8
Inventories	553.5	597.1	657.8
Other Cur. Assets	934.9	1080.7	1201.4
Investments	41.2	9.5	59.0
Deff. Tax Assets	0.0	0.0	0.0
Net Fixed Assets	2243.7	2305.5	2425.7
CWIP	79.5	178.9	222.7
Intangible Assets	184.9	154.6	154.7
Other Assets	220.4	237.8	333.5
Total Assets	5679.2	6041.7	6587.7
Current Liabilities	1078.7	911.8	1042.4
Provisions	129.5	165.9	106.2
Debt Funds	2353.2	2504.2	2661.7
Other Fin. Labilities	55.6	78.4	181.3
Deferred Tax liability	17.6	41.5	8.5
Equity Capital	20.3	325.5	325.5
Reserves & Surplus	2024.2	2014.4	2262.1
Shareholder's Fund	2044.5	2339.9	2587.6
Total Liabilities	5679.2	6041.7	6587.7
BVPS (Rs)	23.0	26.3	29.1

RATIOS

Y.E March	FY23	FY24	9MFY25
Profitab. & Return			
EBITDA margin (%)	13.3	12.4	12.4
EBIT margin (%)	8.6	8.1	8.3
Net profit mgn.(%)	4.8	4.2	4.1
ROE (%)	15.3	13.3	9.5
ROCE (%)	12.2	12.0	8.8
W.C & Liquidity			
Receivables (days)	61.4	61.1	21.6
Inventory (days)	35.3	34.8	12.0
Payables (days)	51.1	38.5	14.3
Current ratio (x)	2.4	2.9	3.0
Quick ratio (x)	1.3	1.6	1.5
Turnover & Levq.			
Net asset T.O (x)	2.9	3.3	2.5
Total asset T.O (x)	1.2	1.3	0.9
Int. covge. ratio (x)	2.3	2.1	2.0
Adj. debt/equity (x)	1.2	1.1	1.0
Valuation ratios			
EV/Sales (x)	1.6	1.4	1.8
EV/EBITDA (x)	11.8	11.4	14.3
P/E (x)	25.5	25.8	32.6
P/BV (x)	3.9	3.4	3.1



DISCLAIMER & DISCLOSURES

Certification: I, Sheen G , author of this Report, hereby certify that all the views expressed in this research report reflect our personal views about any or all of the subject issuer or securities. This report has been prepared by the Research Team of Geojit Investments Limited, hereinafter referred to as GIL.

For general disclosures and disclaimer: Please [Click here](#).

Regulatory Disclosures:

Group companies/ Fellow subsidiaries of Geojit Investments Ltd (GIL) are Geojit Financial Services Limited (GFSL), Geojit Technologies Private Limited (Software Solutions provider), Geojit Credits Private Limited (NBFC), Geojit Fintech Private Ltd, Geojit IFSC Ltd (a company incorporated under IFSC Regulations), Qurum Business Group Geojit Securities LLC (a subsidiary of holding company in Oman engaged in Financial Services), Barjeel Geojit Financial Services LLC (a joint venture of holding company in UAE engaged in Financial Services), and BBK Geojit Consultancy and Information KSC (C) (a joint venture in Kuwait-engaged in Financial services). In the context of the SEBI Regulations on Research Analysts (2014), GIL affirms that we are a SEBI registered Research Entity and in the course of our business as a stock market intermediary, we issue research reports /research analysis etc. that are prepared by our Research Analysts. We also affirm and undertake that no disciplinary action has been taken against us or our Analysts in connection with our business activities.

In compliance with the above-mentioned SEBI Regulations, the following additional disclosures are also provided which may be considered by the reader before making an investment decision:

1. Disclosures regarding Ownership:

GIL confirms that:

(i)It/its associates have no financial interest or any other material conflict in relation to the subject company (ies) covered herein, at the time of publication of the research report.

(ii)It/its associates have no actual beneficial ownership of 1% or more in relation to the subject company (ies) covered herein, at the end of the month immediately preceding the date of publication of the research report.

Further, the Analyst confirms that:

(i) He, his associates and his relatives shall take reasonable care to ensure that they do not have any financial interest in the subject company (ies) covered herein, and they have no other material conflict in the subject company, at the time of publication of the research report.

(ii) He, his associates and his relatives have no actual/beneficial ownership of 1% or more in the subject company covered, at the end of the month immediately preceding the date of publication of the research report.

2. Disclosures regarding Compensation:

During the past 12 months, GIL or its Associates:

(a) Have not received any compensation from the subject company; (b) Have not managed or co-managed public offering of securities for the subject company (c) Have not received any compensation for investment banking or merchant banking or brokerage services from the subject company. (d) Have not received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company. e) Have not received any compensation or other benefits from the subject company or third party in connection with the research report (f) The subject company is / was not a client during twelve months preceding the date of distribution of the research report.

3. Disclosure by GIL regarding the compensation paid to its Research Analyst:

GIL hereby confirms that no part of the compensation paid to the persons employed by it as Research Analysts is based on any specific brokerage services or transactions pertaining to trading in securities of companies contained in the Research Reports.

4. Disclosure regarding the Research Analyst's connection with the subject company: It is affirmed that I, Sheen G , Research Analyst (s) of GIL have not served as an officer, director or employee of the subject company.

5. Disclosure regarding Market Making activity: Neither GIL/its Analysts have engaged in market making activities for the subject company.

6. Disclosure regarding conflict of interests: GIL shall abide by the applicable regulations/ circulars/ directions specified by SEBI and Research Analyst Administration and Supervisory Body (RAASB) from time to time in relation to disclosure and mitigation of any actual or potential conflict of interest. GIL will endeavour to promptly inform the client of any conflict of interest that may affect the services being rendered to the client.

7. "Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors."

8. Clients are required to keep contact details, including email id and mobile number/s updated with the GIL at all times.

9. In the course of providing research services by GIL, GIL cannot execute/carry out any trade (purchase/sell transaction) on behalf of, the client. Thus, the clients are advised not to permit GIL to execute any trade on their behalf.

10. GIL will never ask for the client's login credentials and OTPs for the client's Trading Account Demat Account and Bank Account. The Clients are advised not to share such information with anyone including GIL.

11. Standard Warning: "Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

12. Disclosures regarding Artificial Intelligence tools

Neither Geojit Investments Limited nor its Analysts have utilized any AI tools in the preparation of the research reports.

Please ensure that you have read the "Risk Disclosure Documents for Capital Market and Derivatives Segments" as prescribed by the Securities and Exchange Board of India before investing.

Geojit Investments Ltd. Registered Office: 7th Floor 34/659-P, Civil Line Road, Padivattom, Kochi-682024, Kerala, India. Phone: +91 484-2901000, Website : www.geojit.com/GIL . For investor queries: customercare@geojit.com

GRIEVANCES

Step 1: The client should first contact the RA using the details on its website or following

contact details: Compliance officer: Ms. Indu K. Address: 7th Floor, 34/659-P, Civil Line Road, Padivattom, Ernakulam,; Phone: +91 484-2901367; Email: compliance@geojit.com. For Grievances:grievances@geojit.com. **Step 2:** If the resolution is unsatisfactory, the client can also lodge grievances through SEBI's SCORES platform at www.scores.sebi.gov.in **Step 3:** The client may also consider the Online Dispute Resolution (ODR) through the Smart ODR portal at <https://smartodr.in>

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