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IPO Report

26th Feb'26

Snapshot

Company is one of the key manufacturers of high precision engineered components and assemblies supplying to global customers across industries such as energy, motion control & automation, industrial equipment systems, metal forming and other diversified industrial applications. With 19 years of experience, company manufacture highly engineered precision machined components and assemblies that are majorly utilized towards safety critical applications. Company manufacture a wide range of components ranging from weight of 0.003 kg to 503.33 kg, diameter of 1.27 centimetre to 1 meters and length of 0.2 centimetre to 10 meters which helps company cater to the diverse requirements of company's marquee customer base.

VALUATION

Company is bringing the issue at price band of Rs 216-227 per share at p/e multiple of 51x on post issue H1FY26 PAT basis. Company has strong relationships with marquee customers spread across a wide array of end-user industries, with stringent qualification processes. Company's global delivery model, built on its supply chain expertise, effectively supports its export-driven operations. Company's operations supported by its manufacturing facilities, offering scale, flexibility and locational advantage along with diversified product portfolio enabled by product development capabilities & experienced promoter and management team with strong domain expertise. Hence, we recommend "Subscribe" to issue.

Price Band (Rs./Share)	216-227
Opening date of the issue	25 th Feb '2026
Closing Date of the issue	27 th Feb '2026
No of shares pre issue	10,52,49,680 Eq Shares
Issue Size	Rs 583 Cr
Offer For Sale	Rs 165 Cr
Fresh issue	Rs 418 Cr
Face Value (Rs/ share)	Rs 5/share
Bid Lot	66
Employee Discount	Rs 11/share

BIDDING DETAILS

QIBs (Including Anchor)	50% of the offer (Approx 1,28,19,382 eq Shares)
Non-Institutional	15% of the offer (Approx 38,45,815 eq Shares)
Retail	35% of the offer (Approx 89,73,569 eq Shares)
Employee Reservation	Upto Rs 1 Cr
Lead managers	Equirus Capital Pvt. Ltd, ICICI Securities
Registrar to the issue	MUFG Intime India Pvt. Ltd

WHAT WE LIKE

Strong relationships with marquee customers spread across a wide array of end-user industries, with stringent qualification processes

Company's products find applications in industries such as (i) Energy which includes supplies with end application primarily in oil & gas, wind energy and power sector; (ii) Motion Control and Automation which primarily includes supplies with electro-mechanical systems to end applications primarily in drives and motors, flow control, motion control, sensors, automation and hydraulics; (iii) Industrial Equipment Systems which includes supplies with end application primarily in aerospace ground support equipment, construction equipment, machineries for diverse applications, and components for winches and hoists; and (iv) Others which includes supplies with end application primarily in metal forming and other diversified industrial applications.

Company's global delivery model, built on its supply chain expertise, effectively supports its export-driven operations

During the 6 months ended September 30, 2025 and the last 3 Fiscals, company supplied to customers across 24 countries including United States of America, India, United Arab Emirates, Germany, Bulgaria, Sweden, United Kingdom, France, Australia and Canada with majority of its revenue from sale of products and services being derived from outside India.

A diversified product portfolio enabled by product development capabilities

Company offer its customers a diverse range of products across raw materials, dimensions, manufacturing processes that the components need to go through, levels of assembly and packaging and dispatch options. Company's diverse machining capabilities enables it to handle a variety of raw materials including carbon steel, alloy steel, stainless steel, nickel alloys, titanium, aluminium and specialized alloys in bar form, tubes, forgings, castings and in other forms. Company's ability to process such diverse raw materials helps company to deliver a diverse range of fully assembled, ready-to-deploy solutions, reducing lead times and ensuring operational reliability for company's clients



COMPANY BACKGROUND

As per the ICRA Report company is one of India's fastest growing manufacturers of high precision engineered components and assemblies amongst the identified peer set, in terms of revenue from operations, with an increase of 92.45% between Fiscal 2024 and Fiscal 2025 and a CAGR of 39.06% between Fiscal 2023 and Fiscal 2025. During 6 months ended September 30, 2025, Fiscals 2025, 2024 and 2023, company supplied customised high precision engineered components and assemblies to over 256 customers across 24 countries including United States of America, India, United Arab Emirates, Germany, Bulgaria, Sweden, United Kingdom, France, Australia and Canada.

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Company operate out of its 3 manufacturing facilities in Metoda, Chhapara and Padavala, Rajkot, Gujarat ('Manufacturing Facilities' or 'Existing Facilities') which are equipped with capabilities to design, develop, prototype, manufacture, assemble and test its products. Its Manufacturing Facilities have obtained ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018. Further company have also obtained ISO AS9100:2016 (for aviation, space and defence) and IATF 16949:2016 certificate for its Existing Facility 1 i.e., facility located at Metoda, Rajkot, Gujarat and, ISO AS9100:2016 (for aviation, space and defence) and API Spec Q1 in accordance with API 20J (for oil and gas), API 5CT and API 7-1 (right to use API monogram), for company's Existing Facility 2 i.e., facility located at Chhapara, Rajkot, Gujarat. Company have acquired 3 land parcels (i.e. Proposed Facility 1, Proposed Facility 2, and Plot No. 1 and 2, New R. S. No. 90 (Old S. No. 46 Paiki 2), Village Chhapara, Lodhika, Rajkot - 360021, Gujarat, India) with a potential built-up area of 44,450.99 square meters in Chhapara, Rajkot, Gujarat with an intent to partially de-risk company's future growth. In line with its global delivery model, company also operate a warehouse in Houston, United States of America which helps company cater to its customers in United States of America.

As on September 30 2025, company's Manufacturing Facilities are equipped with diverse machines such as 383 computer numerical control (CNC) machines including vertical machining centres (VMC) machines and turn mill centers (TMC) machines and sliding headstock machines, 5 grinding machines, 4 gear machines, 1 gun-drill and honing machines, lapping machines, laser cutting machines, and welding machines. Company have an in-house facility to carry out special processes such as phosphating (zinc and manganese), copper plating, zinc plating, electroless nickel plating and stellite welding. Company has deployed industrial robots for certain machining lines.

OBJECTS OF OFFER

Fresh Issue

The Fresh Issue comprises an offer of Equity Shares of ₹ 5 each aggregating up to ₹ 4,180.00 million. The proceeds of the Fresh Issue, after deducting Offer related expenses, are estimated to be ₹ [●] million (Net Proceeds).

Requirement of Funds

Company proposes to utilise the Net Proceeds towards the following objects:

1. Repayment and / or pre-payment, in full or in part, of certain outstanding borrowings availed by Company;
2. Setting up of new manufacturing facilities of Company at Gujarat, India (Proposed Facility 1); through (i) civil construction and interior development; and (ii) purchase of equipment / machinery. (collectively, 'Setting up New Projects');
3. Funding towards capital expenditure requirements for purchase and installation of solar panels on the rooftop at, and, purchase of new equipment / machinery for, existing manufacturing facility at Plot No. 9, 10, 11, 12 of New Survey No. 35, 36, 37, 38, 39 village Chhapara, Lodhika, Rajkot - 360021, Gujarat, India (Existing Facility 2) (Capital Expenditure at Existing Facility 2); and
4. General corporate purposes.

RISKS

Company generate significant revenue from its top 10 customers, and in the 6 months ended September 30, 2025, Fiscals 2025, 2024 and 2023, its revenue from top 10 customers were 56.04%, 47.87%, 61.27% and 68.88%, respectively, of its revenue from sale of products and services. The loss of such customers or a significant reduction in its revenue from such customers will have a material adverse impact on its business.

Source:RHP



Consolidated Financials

(Rs in Mn)

Financials	FY23	FY24	FY25	H1FY26
Total Revenue (A)	1773.31	1781.80	3429.13	2281.70
Total Expenditure (B)	1138.75	1132.44	2252.66	1580.86
EBIDTA	634.56	649.36	1176.47	700.84
EBIDTA Margin	35.78	36.44	34.31	30.72
Other Income	63.82	37.72	67.93	85.22
Depreciation	165.14	229.84	385.19	222.66
EBIT	533.24	457.24	859.21	563.40
Interest	93.58	142.38	297.34	195.25
PBT	439.66	314.86	561.87	368.15
Share of profit in Asso	0.00	0.00	0.00	0.00
PBIT	439.66	314.86	561.87	368.15
Exceptional	0.00	0.00	0.00	0.00
PBT	439.66	314.86	561.87	368.15
Tax	116.74	125.78	123.22	90.36
PAT	322.92	189.08	438.65	277.79
NPM	18.21	10.61	12.79	12.17
ROE%	53.91	23.99	21.46	11.96
EPS	3.23	1.89	4.26	2.64
Eq Cap	50.00	500.00	526.25	526.25
Net Worth	599.38	794.75	2036.43	2301.56

(Source: RHP)



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