



Retail Research	: IPO Note
Sector	: Industrial Manufacturing
Price Band (INR)	: ₹104 to ₹110
Issue Type	: Bookbuilding IPO

About The Company

Company precision engineering industry me operate karti hai aur mainly aerospace, defence aur healthcare sectors ke liye high-precision machined components manufacture karti hai. Simple language me samjhe to company complex aur highly accurate metal components banati hai jo aircraft systems, defence equipment jaise missile aur radar systems, aur medical devices me use hote hain. In components ko manufacture karne ke liye advanced CNC machines, engineering expertise aur strict quality control ki zarurat hoti hai. Company ka business model mainly B2B manufacturing par based hai jahan clients apne design aur technical drawings provide karte hain, aur company un designs ke basis par precision components manufacture karke final products deliver karti hai. Is process ko end-to-end precision manufacturing solution bhi kaha jata hai.

Company ka main manufacturing facility Peenya Industrial Area, Bengaluru me located hai, jiska total area lagbhag 8,462 square feet hai. Is facility ki annual installed production capacity 2,40,000 kilograms components per year hai, jisme FY25 me company ne 1,91,980 kilograms production achieve kiya hai. Iska matlab factory ka capacity utilisation lagbhag 80.3% hai, jo indicate karta hai ki plant already achchi efficiency par operate kar raha hai. Factory me advanced CNC machines, CAD/CAM software aur precision machining equipment use kiye jate hain jo 1200 mm tak ke parts manufacture kar sakte hain.

Aerospace aur defence industries me quality standards bahut strict hote hain, isliye company international certifications maintain karti hai jaise AS9100D aur ISO 9001:2015. AS9100D aerospace industry ka globally accepted quality standard hai jabki ISO 9001:2015 ek global quality management certification hai. In certifications ka matlab hai ki company ka manufacturing process international quality requirements ko follow karta hai aur clients ko reliable aur high-precision components deliver karta hai.

Market presence ki baat kare to company India me mainly Karnataka, Telangana aur Maharashtra states me operate karti hai. Iske alawa company ka kuch international customer base bhi hai jisme United States, Netherlands, Spain aur Israel jaise countries include hain. Domestic aur export dono markets me presence hone ka advantage ye hai ki company kisi ek geography par completely dependent nahi rehti aur global OEMs ke saath long-term relationships develop kar sakti hai.

Company ka mission global OEMs ke liye trusted precision component supplier banna hai. OEM ka matlab Original Equipment Manufacturer hota hai, jaise aircraft manufacturers, defence equipment manufacturers aur medical device companies. Company ka focus high precision manufacturing, on-time delivery aur strong customer satisfaction maintain karne par hai, jisse long-term business relationships build ho sake.

Manufacturing process generally client ke design aur drawing receive hone se start hota hai. Sabse pehle engineering team CAD software ka use karke design ko analyse karti hai jisme dimensions, tolerances aur material specifications define kiye jate hain. Uske baad component ke application ke according suitable raw material select kiya jata hai, jaise stainless steel, titanium, aluminium ya high-performance plastics. Next stage me manufacturing engineers process planning karte hain jisme decide kiya jata hai ki kaunsi machining technique aur tools use honge. CAM software ki help se CNC machines ke liye G-code generate kiya jata hai jo machines ko exact instructions deta hai ki component ko kaise cut aur shape karna hai.

IPO Open Date	11-Mar-26
IPO Close Date	13-Mar-26
Price Band (Rs)	₹104 to ₹110
Lot Size	1,200 Shares
Issue Size (Rs Cr)	32,52,000 shares
Face Value	₹10 per share
Sales Type	Fresh capital only
Issue Type	Bookbuilding IPO
Listing At	NSE SME
Share Holding Pre Issue	87,99,921 shares
Share Holding Post Issue	1,20,51,921 shares
QIB	47.34%
Retail Share	33.28%
NII Share	14.28%
Promoter Holding Pre Issue	100.00%
Promoter Holding Post Issue	73.02%

Shareholding Pattern (%)	
Basavaraju Kanakatte Shivakumar	35.9
Mihir Kumar Pradhan	35.9
Vinod Kumar Mariyappan	27.92

Objects of the Issue	Estimated Amount (INR Cr.)
Funding Capital Expenditure towards purchase of Machinery	27.02

About The Company

Actual manufacturing stage me multiple machining operations perform kiye jate hain jaise turning, milling, drilling, grinding aur EDM (Electrical Discharge Machining). Turning cylindrical parts banane ke liye use hota hai, milling complex shapes aur surfaces create karne ke liye use hota hai, drilling aur boring holes banane ke liye use hote hain, grinding ultra-fine finishing provide karta hai aur EDM hard materials jaise titanium aur hardened steel ko machine karne ke liye use kiya jata hai. Kuch components me additional strength ke liye heat treatment process bhi apply kiya jata hai. Iske baad surface finishing processes jaise polishing, anodizing, plating aur coating ki jati hai jisse corrosion resistance, durability aur surface quality improve hoti hai.

Manufacturing ke baad quality control aur inspection stage aati hai jo aerospace aur defence components ke liye sabse critical step hota hai. Company CMM machines, micrometers aur optical comparators jaise precision measurement tools use karti hai jisse ensure kiya ja sake ki components exact dimensions aur tolerance limits ke andar hain. Company claim karti hai ki pichle teen saalon me usne 99.99% accuracy achieve ki hai. Agar required ho to kuch components ko sub-assemblies me assemble bhi kiya jata hai. Final stage me components ko clean, label aur package karke client requirements ke according dispatch kiya jata hai.

Company ki kuch important strengths bhi hain jo uske business ko support karti hain. Company ka domestic aur export dono markets me presence hai jisse revenue diversification milta hai. Strong customer relationships ki wajah se repeat orders milte hain aur long-term partnerships develop hoti hain. Manufacturing facility me modern CNC machines aur CAD/CAM design capabilities available hain jo complex precision components manufacture karne me help karti hain. Management team ke paas aerospace aur precision engineering sector me 20 saal se zyada ka experience hai. Iske alawa factory me UPS backup system bhi available hai jisse power outages ke time machines safe shutdown ho sakti hain aur data loss avoid hota hai.

Future growth ke liye company kuch strategic initiatives follow kar rahi hai. Company apna customer base expand karne par focus kar rahi hai jisme domestic aur global OEMs dono include hain. Example ke liye company ne aerospace aur defence ecosystem me operate karne wali companies jaise Astra Microwave Products ke saath business relationships develop kiye hain. Iske alawa company ek naya manufacturing unit Aerospace & Defence Park, Bengaluru me develop kar rahi hai jahan 17 new machines install ki jayengi. Ye expansion company ki production capacity increase karega aur complex aerospace components manufacture karne ki capability improve karega.

Manufacturing infrastructure ki baat kare to company ke paas abhi ek operational manufacturing unit hai aur ek naya unit develop ho raha hai. Existing Manufacturing Unit-I Peenya Industrial Area, Bengaluru me located hai aur lease par li hui facility hai jo do sheds me divided hai – Shed 1 eastern side me aur Shed 2 western side me. Is plant ki installed production capacity 2,40,000 kilograms per year hai aur yahan aerospace, defence aur healthcare equipment ke components manufacture kiye jate hain. Company future growth ke liye Hi-Tech Defence & Aerospace Park, Bengaluru me Manufacturing Unit-II establish kar rahi hai jahan advanced CNC machines install hongy aur high-precision aerospace components ka production increase kiya jayega. IPO se raise hone wale funds ka ek hissa isi capacity expansion aur capital expenditure ke liye use kiya jayega.

Raw materials ki baat kare to precision engineering manufacturing ke liye high-quality metals aur inputs ki zarurat hoti hai. Company mainly aluminium, steel aur copper jaise metals use karti hai jo aerospace structural parts, defence components aur electrical applications me use hote hain. Manufacturing process me tools aur inserts bhi use hote hain jaise carbide cutting tools aur milling inserts jo CNC machining ke liye essential hote hain. Lubricants machining process me friction reduce karne aur machine overheating avoid karne ke liye use kiye jate hain. Kuch specialised components aur accessories bhi production process ka part hote hain jo precision manufacturing operations ko support karte hain.

Raw materials ka major sourcing India ke andar hi hota hai, especially Karnataka aur Maharashtra regions se. Domestic sourcing ka advantage ye hai ki supply chain faster hoti hai aur transportation cost relatively kam hoti hai. Lekin kuch specialised materials India me easily available nahi hote, isliye company kabhi-kabhi international procurement bhi karti hai. Overseas suppliers mainly Taiwan, Israel, United States aur United Kingdom jaise countries me located hain. Global sourcing option maintain karne ka objective ye hai ki company ke paas critical materials ki reliable availability bani rahe aur manufacturing operations me koi disruption na aaye. Company ki raw material strategy ka main goal multiple suppliers maintain karna, consistent quality ensure karna aur supply disruptions se manufacturing process ko protect karna hai.

RISK

Company ke Major Risk Factors

1 Auditor Emphasis of Matter

Company ke statutory auditors ne FY2025 audit report me Emphasis of Matter highlight kiya hai, jo kisi financial issue par special attention indicate karta hai aur investor confidence ko impact kar sakta hai.

2 Legal Cases Risk

Company, promoters aur directors ke against kuch legal cases pending hain, aur agar court ka decision company ke against aata hai to financial loss aur reputation damage ho sakta hai.

3 Customer Concentration Risk

Company ka revenue kuch limited customers par dependent hai, aur agar koi major customer order reduce ya cancel kar deta hai to revenue aur profitability par impact ho sakta hai.

4 Customer Complaint Risk

Agar company customer complaints aur grievances properly resolve nahi karti, to customer relationships aur future orders negatively impact ho sakte hain.

5 Hypothecation of Machinery

Company ki major machines lenders ke paas collateral ke roop me hypothecated hain, aur loan default ki situation me lenders in machines ko seize kar sakte hain.

6 Approval and License Risk

Company ko operations run karne ke liye different government approvals aur licenses chahiye hote hain, aur delay ya non-renewal se operations temporarily disrupt ho sakte hain.

7 Negative Cash Flow Risk

Company ke kuch financial years me negative cash flows observe kiye gaye hain, jo future me liquidity pressure create kar sakte hain.

8 Promoters Education Risk

Company ke promoters ki formal education senior secondary level tak hai, jo kuch investors ke liye governance perception risk create kar sakta hai.

9 Lease Documentation Risk

Company jis property par operate karti hai uske lease aur related documents properly registered nahi hain, jisse future me legal dispute ka risk ho sakta hai.

10 Outsourcing Dependency

Company ka business model clients ke outsourcing decisions par dependent hai, aur agar clients in-house manufacturing start kar dete hain to business impact ho sakta hai.

1 1 Quality Standards Risk

Aerospace aur defence industry me quality standards bahut strict hote hain, aur agar company required quality maintain nahi kar pati to orders cancel ho sakte hain.

1 2 Raw Material Price Risk

Aluminium, titanium aur steel jaise aerospace grade raw materials ke prices volatile hote hain, jo production cost aur profit margins ko affect kar sakte hain.

1 3 Regulatory Compliance Risk

Company ne past me kuch regulatory compliance errors aur clerical mistakes kiye hain, jisse regulatory penalties ka risk ho sakta hai.

1 4 Corporate Governance Risk

Agar company Companies Act aur SEBI regulations ka proper compliance maintain nahi karti to penalties aur regulatory scrutiny badh sakti hai.

1 5 Intellectual Property Risk

Agar company apne intellectual property rights aur proprietary processes protect nahi kar pati to competitors unhe copy kar sakte hain.

1 6 Promoter Conflict of Interest

Promoters aur management company ke business me directly involved hain, jisse kabhi-kabhi conflict of interest create ho sakta hai.

1 7 Raw Material Supply Risk

Company ka production raw material availability par dependent hai, aur supply disruption hone par production delay ho sakta hai.

1 8 Management Dependency Risk

Company ka business promoters aur key managerial personnel ke experience par heavily dependent hai.

1 9 Manufacturing Facility Risk

Machine breakdown, fire accident ya power failure jaise incidents se manufacturing operations temporarily disrupt ho sakte hain.

RISK

Financial Risk Factors

2 0 Unsecured Loan Risk

Company ke paas kuch unsecured loans hain, jo lenders kabhi bhi recall kar sakte hain aur cash flow pressure create kar sakte hain.

2 1 Debt Repayment Risk

Agar company loan EMI aur interest payments time par nahi karti, to lenders penalties laga sakte hain.

2 2 Restrictive Loan Covenants

Loan agreements me kuch restrictive covenants hote hain jo company ki financial flexibility ko limit kar sakte hain.

2 3 Promoter Loan Agreement Risk

Promoters se liye gaye kuch loans ke formal agreements clear nahi hain, jisse dispute ka risk ho sakta hai.

2 4 Promoter Guarantee Risk

Company ke loans promoters ki personal guarantees se secured hain, aur guarantee withdraw hone par credit facilities impact ho sakti hain.

Operational Risk Factors

2 5 Contingent Liability Risk

Company ke paas kuch contingent liabilities hain jo future me actual financial liability ban sakti hain.

2 6 Machinery Purchase Delay Risk

IPO funds se jo new machines purchase karni hain unka order abhi place nahi hua, jisse expansion delay ho sakta hai.

2 7 Related Party Transaction Risk

Company ka business kuch related parties ke saath transactions karta hai, jisse conflict of interest ka risk ho sakta hai.

2 8 Working Capital Cycle Risk

Company ka business long working capital cycle par operate karta hai jisse cash flow pressure create ho sakta hai.

2 9 Technology Change Risk

Aerospace aur defence industry me technology fast evolve hoti hai, aur new technology adopt na karne par company competitors se peeche reh sakti hai.

3 0 Strategy Execution Risk

Agar company apni growth strategies effectively implement nahi kar pati, to expected growth achieve nahi ho sakti.

External Risk Factors

3 1 Competitive Industry Risk

Company ek highly competitive industry me operate karti hai jahan strong competition market share ko impact kar sakta hai.

3 2 Logistics Dependency Risk

Company third-party transport aur logistics providers par dependent hai, aur disruptions delivery delay kar sakte hain.

3 3 Power and Water Supply Risk

Manufacturing operations ke liye power aur water supply critical hai, aur supply disruption production ko impact kar sakti hai.

3 4 Financial Market Instability

Indian ya global financial markets me instability company ke financial performance ko affect kar sakti hai.

3 5 Government Regulation Risk

Government policies aur regulations me changes company ke operations aur profitability ko impact kar sakte hain.

3 6 Tax Policy Risk

Taxes aur levies me increase hone par profit margins reduce ho sakte hain.

3 7 Natural Disaster Risk

Flood, earthquake ya fire jaise natural disasters manufacturing operations ko disrupt kar sakte hain.

3 8 Currency Exchange Risk

Indian Rupee aur foreign currencies ke beech exchange rate fluctuation company ke financial performance ko indirectly affect kar sakta hai.

3 9 Share Dilution Risk

Future me new shares issue hone par existing shareholders ka ownership percentage dilute ho sakta hai.

(Rs. in Lakhs)

Key Financial Performance	March 31, 2025	March 31, 2024	March 31, 2023
Revenue from Operations ⁽¹⁾	2,049.06	1,686.69	1,037.00
EBITDA ⁽²⁾	1,020.03	409.51	192.73
EBITDA Margin ⁽³⁾	49.78%	24.28%	18.59%
PAT ⁽⁴⁾	663.76	255.43	102.52
PAT Margin ⁽⁵⁾	32.39%	15.14%	9.89%
EBIT	912.34	347.91	146.86
RoE (%) ⁽⁶⁾	91.60%	96.36%	73.14%
RoCE (%) ⁽⁷⁾	65.76%	64.04%	42.18%
Capital Employed ⁽⁷⁾	1,387.42	543.27	348.18
Debt ⁽⁸⁾	283.72	132.23	207.14

KPI disclosed above is certified by YCRJ & Associates, Chartered Accountants the statutory auditors of our Company pursuant to their certificate dated September 22, 2025, UDIN No: 25234143BMITXF2137.

(Rs. in Lakhs)

Geography	For the fiscal year					
	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Revenue	%	Revenue	%	Revenue	%
Within India	2028.19	98.98	1682.67	99.76	957.97	92.38
Outside India	20.87	1.02	4.02	0.24	79.03	7.62
Total	2049.06	100.00	1686.68	100.00	1037.00	100.00

Pursuant to the certificate dated September 22, 2025 issued by M/s YCRJ & Associates, Statutory Auditor of the Company bearing UDIN 25234143DMITXL6345.

Below are the details of our revenue from operations by regional spread for Fiscals 2025, 2024 and 2023:

(Rs. in Lakhs)

Geography	For the fiscal year					
	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Revenue	%	Revenue	%	Revenue	%
India	2028.19	98.98	1682.67	99.76	957.97	92.38
USA	10.73	0.52	2.56	0.15	64.89	6.26
Israel	5.40	0.26	1.45	0.09	Nil	Ni;
Netherlands	Nil	Nil	Nil	Nil	14.15	1.36
Spain	4.74	0.23	Nil	Nil	Nil	Nil
Total	2049.06	100.00	1686.68	100.00	1037.00	100.00

Pursuant to the certificate dated September 22, 2025 issued by M/s YCRJ & Associates, Statutory Auditor of the Company bearing UDIN 25234143DMITXL6345.

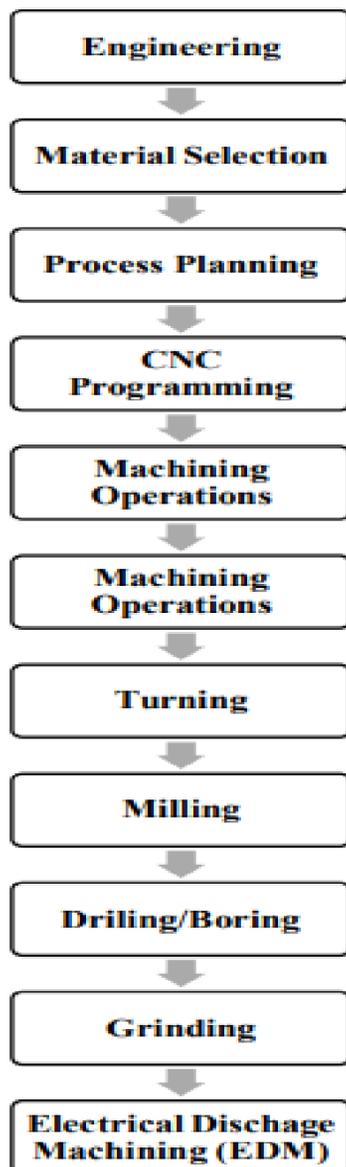
Below are the details of our revenue from operations from our top customers for Fiscal Years 2025, 2024 and 2023:

(Rs. in Lakhs)

Customers	For the fiscal year					
	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Revenue	%	Revenue	%	Revenue	%
Top 1	1,066.04	52.03	1,003.71	59.51	439.92	42.42
Top 3	1,721.88	84.04	1,586.41	94.05	909.15	87.66
Top 5	1,938.33	94.6	1,647.67	97.68	977.16	94.22
Top 10	2,028.60	99.00	1,680.91	99.65	1032.08	99.53

Pursuant to the certificate dated September 22, 2025 issued by the Statutory Auditor of the Company bearing UDIN: 25234143BMITWY8531

MANUFACTURING PROCESS



Below are the details of the amount of raw material purchased from our top suppliers for Fiscal Years 2025, 2024 and 2023:

(Rs. in Lakhs)

Suppliers	For the fiscal year					
	2025		2024		2023	
	Purchase Amount	%	Purchase Amount	%	Purchase Amount	%
Top 1	70.21	11.25	178.10	22.98	71.50	17.15
Top 3	198.89	31.87	349.52	45.1	178.06	42.71
Top 5	295.41	47.33	483.62	62.41	248.91	59.7
Top 10	386.03	61.85	615.65	79.44	296.53	71.14

Pursuant to the certificate dated September 22, 2025 issued by the Statutory Auditor of the Company bearing UDIN: 25234143BMITWX4883

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