Aequs Ltd.

December 2, 2025

IPO Details

IPO Date	December 3, 2025 to December 5, 2025
Face Value	₹10 per share
Price Band	₹118 to ₹124 per share
Lot Size	120 Shares
Sale Type	Fresh Capital-cum-Offer for Sale
Total Issue Size	7,43,39,651 shares (aggregating up to ₹921.81 Cr)
Fresh Issue	5,40,32,258 shares (aggregating up to ₹670.00 Cr)
Offer for Sale	2,03,07,393 shares of ₹10 (aggregating up to ₹251.81 Cr)
Employee Discount	₹11.00
Issue Type	Book building IPO
Listing At	BSE, NSE
Shareholding pre issue	61,66,17,677 shares
Shareholding post issue	67,06,49,935 shares
QIB Shares Offered	Not less than 75% of the Net Offer
Retail Shares Offered	Not more than 10% of the Net Offer
NII (HNI) Shares Offered	Not more than 15% of the Net Offer
Retail (Min & Max) shares	120 Shares & 1,560 shares
Retail (Min & Max) application amount	₹14,880 & ₹1,93,440
S-HNI (Min shares & application amount)	1,680 shares & ₹2,08,320
S-HNI (Max shares & application amount)	8,040 shares & ₹9,96,960
B-HNI (Min shares & application amount)	8,160 shares & ₹10,11,840
Basis of Allotment	Mon, Dec 8, 2025
Initiation of Refunds	Tue, Dec 9, 2025
Credit of Shares to Demat	Tue, Dec 9, 2025
Listing Date	Wed, Dec 10, 2025
Cut-off time for UPI mandate confirmation	5 PM on Fri, Dec 5, 2025
Promoters	Aravind Shivaputrappa Melligeri, Aequs Manufacturing Investments Private Limited, Melligeri Private Family Foundation and The Melligeri Foundation.
Registrar	Kfin Technologies Ltd.

Note 1: Application made using third party UPI or ASBA A/C is liable to be rejected. For apply please click on the Link https://ipo.adroitfinancial.com/ for any kind of assistance please contact to their helpdesk team at 0120-6826800 or mail us on ipo@adroitfinancial.com

Company Profile

Aequs Ltd. is the only precision component manufacturer operating within a single special economic zone in India to offer fully vertically integrated manufacturing capabilities in the Aerospace Segment, which sets them apart from other contract manufacturers with selective manufacturing capabilities amongst their peers. The diverse product portfolio includes components for engine systems, landing systems, cargo and interiors, structures, assemblies and turning for their aerospace clients. For the H1FY26 and the Financial Year 2025, net external revenue from the Aerospace Segment was Rs. 473.95 Crore and Rs. 824.64 Crore, respectively. While they primarily operate in the Aerospace Segment, over the years, they have expanded their product portfolio to include consumer electronics, plastics, and consumer durables for consumer clients. Their diverse consumer product portfolio includes consumer durables such as cookware and small home appliances, plastics such as outdoor toys, figurines, toy vehicles and components for consumer electronics such as portable computers and smart devices. They are one of the few manufacturers in India with niche metallurgy capabilities, specializing in precision machining of high-end alloys, including titanium alloys for their aerospace clients. The Company has a qualified workforce of 4,538 employees (including contract labourers) as of September 30, 2025, of which 855 are engineers.

The Revenue of the Company decreased by 4.19% and Profit after Tax declined by 743.57% from FY24 to FY25, this was mainly due to loss on impairment of goodwill.

Objects of the Issue

- Offer for Sale – Rs. 251.81 Crore
- Repayment and/ or prepayment, in full or in part, of certain outstanding borrowings and prepayment penalties, availed by the Company and their subsidiaries – Rs. 433.16 Crore
- Funding capital expenditure to be incurred on account of purchase of machinery and equipment – Rs. 48.15 Crore
- Funding inorganic growth through unidentified acquisitions, other strategic initiatives and general corporate purposes– Rs. 188.69 Crore

Financial Details

Particulars (Amount in Crores)	30-Sep-25	31-Mar-25	31-Mar-24	31-Mar-23
Revenue from Operations	537.15	924.60	965.07	812.13
Other income	28.38	34.60	23.23	28.40
Total Income	**565.54**	**959.21**	**988.30**	**840.53**
Expenses				
- Cost of Materials Consumed	232.89	408.26	439.07	416.89
- Purchases of stock-in-trade	-	-	-	2.07
- Changes in inventories	(15.43)	(16.06)	(22.46)	(34.92)
- Employee Benefit Expense	92.75	158.74	143.40	144.63
- Impairment losses/ (reversal) on financial assets	0.22	0.41	1.46	0.85
- Finance costs	35.75	58.90	63.80	64.60
- Depreciation and amortization expense	57.15	103.40	107.68	99.51
- Other expenses	170.99	299.88	281.31	247.94
Total expenses	**57.43**	**101.35**	**101.43**	**94.16**
EBITDA	**59.11**	**33.63**	**146.07**	**33.04**
EBITDA Margin (%)	**11.00%**	**3.64%**	**15.14%**	**4.07%**
- Share of net profit/(loss) of associate and joint ventures	3.38	8.52	5.15	(0.87)
- Exceptional items gain / (loss)	-	(48.26)	18.64	(0.73)
Profit/(Loss) before tax	**(5.41)**	**(94.07)**	**(2.18)**	**(102.67)**
Tax expense/(credit)	11.26	8.34	9.96	6.04
Profit/(Loss) After Tax	**(16.68)**	**(102.41)**	**(12.14)**	**(108.72)**
PAT Margin (%)	**(3.10%)**	**(11.08%)**	**(1.26%)**	**(13.39%)**
Basic EPS (in Rs.)	**(0.29)**	**(1.80)**	**(0.16)**	**(2.42)**

Key Metrics	30-Sep-25	Mar-25	Mar-24	Mar-23
ROE (%)	**(2.07)**	**(14.30)**	**(1.49)**	**(40.68)**
ROCE (%)	**1.81%**	**0.87%**	**2.84%**	**(3.72%)**
Net D/E Ratio	**0.98**	**0.99**	**0.55**	**2.54**

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Source: RHP of the Company

Competitive Strengths

- **Advanced and vertically integrated precision manufacturing capabilities:** The Company had an aggregate capacity of 2,919,058 annual machining/molding hours for products within the Aerospace Segment and Consumer Segment, and over 200 computer numerical control ("CNC") machines for Aerospace Segment and 161 molding machines deployed for consumer products, each as of September 30, 2025.

- **Operations in unique, engineering-led vertically-integrated precision manufacturing ecosystems:** The Company operates in three unique, engineering-led vertically integrated precision manufacturing "ecosystems" in India. These comprise a 1,231,721 square feet of precision component manufacturing facilities for the Aerospace Segment located in a special economic zone in Belagavi, Karnataka. For the Consumer Segment they have 299,957 square feet of consumer electronics and consumer durables products manufacturing facilities, located in Hubballi, Karnataka and 554,138 square feet of plastics manufacturing facilities, located in Koppal, Karnataka.

- **Manufacturing presence across three continents with strategic proximity to end customers:** The Company has a manufacturing presence across India, U.S. and France, with strategic proximity to global OEMs, which enables them to create innovative products and engineering solutions for these OEMs. They are one of the few companies in India in the Aerospace Segment with a presence in three continents, which enables access to skilled workforce with diverse backgrounds and expertise, apart from the closeness to the customer which helps in their long-term customer relationships.

- **Comprehensive precision product portfolio across high value segments:** They produced over 5,000 products within the Aerospace Segment under a variety of manufacturing and assembly programs established with their aerospace customers, including programs for single aisle (such as A220, A320, B737) and long range (A330, A350, B767, B777, B787) commercial aircrafts. They had one of the largest portfolios of aerospace products in India, as of March 31, 2025.

- **Long-standing relationships with high entry barrier global customers:** They have established long-standing relationships with high entry barrier global customers, such as Airbus, Collins Aerospace, Spirit Aerosystems Inc., Safran and Boeing in the Aerospace Segment, and Hasbro, Spinmaster, Wonderchef, and Tramontina in the Consumer Segment. Over the years, they have also established ourselves as Tier-1 suppliers for such OEM customers. As of September 30, 2025, the three largest customer groups had an average tenure of 15 years with them.

Key Risk Factors

- **Dependency on Top 10 Customers:** The Company is dependent on their top three largest customer groups, which comprise a significant portion of the revenue from operations 53.39% for the six months period ended September 30, 2025, 53.97% for the Financial Year 2025, 50.75% for the Financial Year 2024 and 51.24% for the Financial Year 2023. Any failure to maintain their relationship with these customer groups or any adverse changes affecting their financial condition will have an adverse effect on the business, results of operations, financial condition and cash flows.

- **Raw Material:** The Company relies on third-party suppliers for the supply of raw materials, including aluminium, stainless steel and titanium, in the manufacturing of products. They source their raw materials on a purchase order basis, and enter into long term contracts with suppliers on a need basis. The business is subject to fluctuations in the prices and disruptions in the availability of raw materials, which may have an adverse effect on the business, results of operations, financial condition and cash flows. Cost of materials consumed, as a percentage of total expenses (%) for the six months period ended September 30, 2025 and for Fiscals 2025, 2024 and 2023 were 48.37%, 47.96%, 52.10% and 53.62, respectively.

- **Regional Risk:** The Company operates units in three manufacturing clusters in India, Belagavi Manufacturing Cluster, Hubballi Manufacturing Cluster and Koppal Manufacturing Cluster all situated in the state of Karnataka. The concentration of the units in the manufacturing clusters that they operate in, in the state of Karnataka exposes them to regional risks and adverse events specific to the state.

- **Financial Performance:** The Company had incurred losses of ₹(169.77) million, ₹(717.00) million, ₹(1,023.46) million, ₹(142.44) million and ₹(1,094.95) million for the six months period ended September 30, 2025 and 2024, and the Financial Years 2025, 2024 and 2023, respectively and they have made provisions for impairment of goodwill in their Subsidiaries. They may continue to experience losses in the future and may be required to make similar provisions for impairment, which could result in an adverse effect on the business, results of operations, financial condition and cash flows.

Comparison with Listed Peers

Name of the Companies	Market Price	Face Value (per Share)	P/E Ratio	EPS (Basic)	EPS (Diluted)	RoNW (%)	NAV (per Share)
Aequs Ltd.	NA	10	(74.69)*	(1.66)**	(1.66)**	(14.47%)	12.47
Peers:-							
Azad Engineering Ltd.	1685	2	114.93	14.66	14.66	6.21%	234.06
Unimech Aerospace & Manufacturing Ltd.	978	5	55.59	17.59	17.59	12.48%	141.01
Amber Enterprises India Ltd.	7220	10	100.80	71.96	71.62	10.99%	672.61
Kaynes Technology India Ltd.	5512	10	121.40	45.82	45.40	10.33%	439.85
Dixon Technologies (India) Ltd.	14618	2	72.15	205.70	202.58	47.50%	494.74
PTC Industries Ltd.	18200	10	440.35	41.37	41.33	4.40%	940.03

*P/E calculated based on upper band price.
**EPS calculated including fresh issue shares.

Summary

Aequs Ltd. is the only precision component manufacturer operating within a single special economic zone in India to offer fully vertically integrated manufacturing capabilities in the Aerospace Segment. The diverse product portfolio includes components for engine systems, landing systems, cargo and interiors, structures and assemblies for their aerospace clients. For the H1FY26 and the Financial Year 2025, net external revenue from the Aerospace Segment was Rs. 473.95 Crore and Rs. 824.64 Crore, respectively. While they primarily operate in the Aerospace Segment, over the years, they have expanded their product portfolio to include consumer electronics, plastics, and consumer durables for consumer clients.

India's aerospace manufacturing market is rapidly growing, fuelled by rising air travel demand and e-commerce. The country is emerging as a key hub for aircraft manufacturing, assembly, and maintenance due to its strategic location and economic growth. A shift toward indigenous production is evident, with companies like Hindustan Aeronautics Limited (HAL) collaborating with global giants like Airbus and Boeing to enhance local manufacturing capabilities. In FY2025, the exports reached INR 588.38B (USD 6.96B). The push towards self-reliance in defense and aerospace, along with favourable policies and infrastructure development, is positioning India as a key supplier of high-quality aerospace components to global markets.

Global aerospace manufacturing is a critical industry that drives technological advancement and economic growth worldwide. This duopolistic market is dominated by Boeing and Airbus, the industry operates through a complex, interconnected global supply chain. Key trends shaping the sector include a focus on sustainability, with advancements in greener technologies, and the adoption of Industry 4.0 innovations such as AI, automation, and additive manufacturing. While challenges like geopolitical tensions and supply chain disruptions persist, the industry continues to adapt, fostering innovation and supporting aviation and space exploration. The global aerospace market is expected to grow from USD 188.04B in CY2024 to USD 272.56B in CY2030 at a CAGR of 6.38% between the given period.

The Company intends to utilize the capital to reduce their borrowings which will lead to significant cost savings and turning the company profitable. As the consumer business scales up, it will become profitable driven by operating leverage and improve the overall margin of the company.

Therefore, it is recommended to "**Subscribe**" to the IPO for long-term investment, considering its growth potential.

DISCLAIMER

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