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PATIL AUTOMATION LIMITED

CIN: U29299PN2015PLC155878

Our Company was originally incorporated as “Patil Automation Private Limited”, a private limited Company under the provisions of the Companies Act, 2013, pursuant to a Certificate of Incorporation dated July 22, 2015 issued by the Registrar of Companies, Maharashtra. Thereafter, our Company was converted from private limited to public limited, pursuant to special resolution passed by the shareholders of the Company at the Extraordinary general meeting held on September 05, 2024 and the name of our Company was changed from “Patil Automation Private Limited” to “Patil Automation Limited” vide fresh certificate of incorporation dated October 21, 2024 issued by the Registrar of Companies, Central Processing Centre. For details of changes in name and the registered office of the Company, see “History and Corporate Structure – Brief history of our Company” and “History and Corporate Structure – Changes in the Registered Office” on page 157 of the Red Herring Prospectus (“RHP”).

Registered Office: Gat no. 154, behind G.E. Company, Village Sudumbre, Tehsil Maval, District Pune, Maharashtra, India – 412-109 | **Tel No:** +91-9168338383 | **E-mail:** info@patilautomation.com | **Website:** www.patilautomation.com
Contact Person: Niharika Sharmindra Singhal, Company Secretary and Compliance Officer

THE PROMOTERS OF OUR COMPANY ARE MANOJ PANDURANG PATIL, AARTI MANOJ PATIL AND PRAFULLA PANDURANG PATIL

THE ISSUE

INITIAL PUBLIC OFFER OF UPTO 58,00,800 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE “EQUITY SHARES”) OF PATIL AUTOMATION LIMITED (“OUR COMPANY” OR “PAL” OR “THE ISSUER”) AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS(“PUBLIC ISSUE”) OUT OF WHICH 2,92,800 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 55,08,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.58% AND 25.24% RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

PRICE BAND: ₹ 114/- to ₹ 120/- PER EQUITY SHARE OF FACE VALUE ₹ 10/- EACH

THE FLOOR PRICE IS 11.4 TIMES THE FACE VALUE OF THE EQUITY SHARES AND THE CAP PRICE IS 12.00 TIMES OF THE FACE VALUE OF THE EQUITY SHARES.
THE PRICE TO EARNING RATIO BASED ON DILUTED EPS FOR FISCAL 2025 AT THE FLOOR PRICE IS 14.96 TIMES AND AT THE CAP PRICE IS 15.75 TIMES.
BIDS CAN BE MADE FOR A MINIMUM OF 1200 EQUITY SHARES AND IN MULTIPLES OF 1200 EQUITY SHARES THEREAFTER.

ISSUE PROGRAM

ANCHOR INVESTOR BIDDING DATE : FRIDAY, JUNE 13, 2025
BID/ISSUE OPENS ON : MONDAY, JUNE 16, 2025
BID/ISSUE CLOSES ON : WEDNESDAY, JUNE 18, 2025 ^

^ UPI mandate end time shall be at 05:00 pm on the Bid/Issue closing date.

BRIEF DESCRIPTION OF THE BUSINESS OF THE COMPANY

We are an automation solutions provider serving industrial clients, primarily in the automotive sector. We are engaged in designing, manufacturing, testing and installation of customized automation systems such as welding lines (spot welding, MIG and TIG), assembly lines, material handling machineries and special-purpose machineries, tailored to meet the specific requirements of our clients' production facilities.

THIS ISSUE IS MADE THROUGH BOOK BUILDING PROCESS, IN TERMS OF CHAPTER IX (INITIAL PUBLIC OFFER BY SMALL AND MEDIUM ENTERPRISES) OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE “SEBI (ICDR) REGULATIONS”), AS AMENDED READ WITH RULE 19(2)(B) OF SECURITIES CONTRACT (REGULATION) RULES, 1957, AS AMENDED.

THE EQUITY SHARES ARE PROPOSED TO BE LISTED ON EMERGE PLATFORM OF NSE (“NSE EMERGE”). NSE SHALL BE THE DESIGNATED STOCK EXCHANGE.

ALLOCATION OF THE ISSUE

QIB PORTION	NOT MORE THAN 50.00% OF THE NET ISSUE
INDIVIDUAL PORTION	NOT LESS THAN 35.00% OF THE NET ISSUE
NON-INSTITUTIONAL PORTION	NOT LESS THAN 15.00% OF THE NET ISSUE
MARKET MAKER	UPTO 2,92,800 EQUITY SHARES OR 5.05% OF THE ISSUE

IN MAKING AN INVESTMENT DECISION, POTENTIAL INVESTORS MUST ONLY RELY ON THE INFORMATION INCLUDED IN RED HERRING PROSPECTUS AND THE TERMS OF THE ISSUE, INCLUDING THE RISKS INVOLVED AND NOT RELY ON ANY OTHER EXTERNAL SOURCES OF INFORMATION ABOUT THE ISSUE AVAILBLE IN ANY MANNER.

In accordance with the recommendation of the Independent Directors of our Company, pursuant to their resolution dated June 09, 2025 the above provided price band is justified based on quantitative factors/ KPIs disclosed in the ‘Basis for Issue Price’ section beginning on page 98 of the Red Herring Prospectus vis-a-vis the weighted average cost of acquisition (“WACA”) of primary and secondary transaction(s), as applicable, disclosed in “Basis for Issue Price” section beginning on page 98 of the Red Herring Prospectus and provided below in the advertisement.

RISKS TO INVESTORS

1. Risk to Investors: Summary description of key risk factors based on materiality:

- We depend significantly on the performance of automotive sector for sale of our automation solutions. Any adverse change in performance of automotive sector could adversely affect our business and profitability.
- Substantial portion of our revenue has been dependent upon few customers with which we do not have any firm commitments. The loss of any one or more of our major customers would have a material adverse effect on our business, cash flows, results of operations and financial conditions.
- We derived a significant portion of our revenue from the sale of our key automation solution i.e. Welding Lines. Any decline in the sales of our key offering could have an adverse effect on our business, results of operations and financial condition.
- Our Company does not have long-term agreements with suppliers for our input materials and a significant increase in the cost of, or a shortfall in the availability, or deterioration in the quality, of such input materials could have an adverse effect on our business and results of operations.
- There are outstanding legal proceedings involving our Company, our Directors and our Promoters. Any adverse decisions could impact our cash flows and profit or loss to the extent of demand amount, interest and penalty, divert management time and attention and have an adverse effect on our business, prospects, results of operations and financial condition.

- We are subject to strict quality requirements and any failure to comply with quality standards may lead to cancellation of existing and future orders, product recalls, product liability, warranty claims and other disputes and claims.
- We do not own the existing manufacturing facility & registered office and design and admin office from which we carry out our business activities. In case of non-renewal of lease agreements or dispute in relation to use of the said premise, our business and results of operations can be adversely affected.
- Setting up of a new manufacturing facility requires substantial capital outlay before we realize any benefits or returns on investments, and is subject to the risk of unanticipated delays.
- Our Statutory Auditor have included certain qualifications in the Annexure to the Auditor’s Report for financial statements pertaining to F.Y. 2022-23 and 2023-24.
- Any disruptions or shutdown of our manufacturing operations at our existing facility could have an adverse effect on our business, financial condition and results of operations.
- The BRLM associated with the Issue has not handled any public issue so far.
- Our Promoters or directors do not possess experience in managing publicly listed companies.
- Our Company is in use of trademark, which is not registered under the Trademarks Act, 1999 as on date of Red Herring Prospectus. Thus, we may be subject to claims alleging breach of third party intellectual property rights.

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