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TechEra
ENGINEERING (INDIA) LIMITED



TECHERA ENGINEERING INDIA LIMITED

Our Company was originally incorporated as a private limited company under the Companies Act, 2013 in the name and style of "Techera Engineering (India) Private Limited" bearing Corporate Identification Number U29100PN2018PTC179327 dated October-03, 2018 issued by the Registrar of Companies, Pune. For further details, please refer to "Our History and Certain Other Corporate Matters" beginning on page 139 of the Red Herring Prospectus.

Registered Office: Gat No. 565, Behind Namo Marble & Timbers At Post Velu, Tal. Bhor, Pune, Maharashtra, India - 412205
Tel No: 7620217968 **Email:** cs@techera.co.in; **Website:** www.techera.co.in;
Company Secretary and Compliance Officer: Ms.Pratiksha Kumbhare

PROMOTERS: MR. NIMESH RAMESHCHANDRA DESAI, MR. MEET NIMESH DESAI, MS. KALPANA NIMESH DESAI

THE ISSUE

THE ISSUE COMPRISE OF A PUBLIC ISSUE OF 43,77,600 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH FULLY PAID (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [•]/- PER EQUITY SHARES (INCLUDING A PREMIUM OF ₹ [•]/- PER EQUITY SHARE) AGGREGATING TO ₹ [•]/- LAKHS ("THE ISSUE") BY OUR COMPANY. THE ISSUE COMPRISES A RESERVATION OF WHICH 2,19,200 EQUITY SHARES OF ₹10/- EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER RESERVATIONS PORTION AND A NET ISSUE TO THE PUBLIC OF 41,58,400 EQUITY SHARES OF ₹10/- EACH IS HEREINAFTER REFERRED TO AS THE NET ISSUE. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.50% AND 25.17% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.

ALLOCATION OF THE ISSUE	
QIB PORTION (EXCLUDING ANCHOR INVESTOR)	NOT MORE THAN 8,32,000 EQUITY SHARES
ANCHOR INVESTOR PORTION	NOT MORE THAN 12,46,400 EQUITY SHARES
RETAIL PORTION	NOT LESS THAN 14,56,000 EQUITY SHARES
NON-INSTITUTIONAL PORTION	NOT LESS THAN 6,24,000 EQUITY SHARES
MARKET MAKER PORTION	UPTO 2,19,200 EQUITY SHARES

PRICE BAND: ₹ 75/- to ₹ 82/- PER EQUITY SHARE
THE FLOOR PRICE IS 7.5 TIMES OF THE FACE VALUE AND CAP PRICE IS 8.2 TIMES OF THE FACE VALUE OF EQUITY SHARES.
BIDS CAN BE MADE FOR A MINIMUM OF 1600 EQUITY SHARES AND IN MULTIPLES OF 1600 EQUITY SHARES THEREAFTER.

THIS ISSUE IS BEING MADE THROUGH BOOK BUILDING PROCESS, IN TERMS OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE "SEBI (ICDR) REGULATIONS"), AS AMENDED READ WITH RULE 19(2)(B) OF SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED.

FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED "ISSUE PROCEDURE" BEGINNING ON PAGE 203 OF THE RED HERRING PROSPECTUS. A COPY OF THE RED HERRING PROSPECTUS HAS BEEN DELIVERED FOR REGISTRATION TO THE REGISTRAR OF COMPANIES, PUNE ON SEPTEMBER 17, 2024, AS REQUIRED UNDER SECTION 26 OF THE COMPANIES ACT, 2013.

BID/ISSUE PROGRAM

ANCHOR BID OPENS ON TUESDAY, SEPTEMBER 24, 2024
BID ISSUE OPENS ON WEDNESDAY, SEPTEMBER 25, 2024
BID ISSUE CLOSSES ON FRIDAY, SEPTEMBER 27, 2024

ASBA*

Simple, safe, smart way of Application!!!!

*Applications supported by blocked amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account. For further details, check section on ASBA below.

Mandatory in Public issues No cheque will be accepted



UPI-Now available in ASBA for Retail Individual Investors ("RII") **

Investors are required to ensure that the bank account used for bidding is linked to their PAN. UPI - Now available in ASBA for Retail Individual Bidders applying through Registered Brokers, DP's & RTA. Retail Individual Bidders also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account.

*ASBA has to be availed by all the investors except Anchor Investors (if any). UPI may be available by RIIs. For details on the ASBA and UPI process, please refer to the details given in ASBA Form and abridged prospectus and also please refer to the section "Issue Procedure" beginning on page 203 of the Red Herring Prospectus. The process is also available on the website of SEBI and Stock Exchanges in the General Information Document. ASBA Forms can be downloaded from the website of the SME platform of NSE ("NSE EMERGE" or "Stock Exchange") and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in. ** List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in. For the list of UPI Apps and Banks live on IPO, please refer to the link: www.sebi.gov.in. ICICI Bank Limited has been appointed as Sponsor Bank for the Issue in accordance with the requirements of the SEBI Circular dated November 1, 2018, as amended.

IN TERMS OF THE SEBI CIRCULAR NO. CIR/CFD/POLICYCELL/11/2015, DATED NOVEMBER 10, 2015, AND THE ALL-POTENTIAL INVESTORS SHALL PARTICIPATE IN THE ISSUE ONLY THROUGH AN APPLICATION SUPPORTED BY BLOCKED AMOUNT ("ASBA") PROCESS PROVIDING DETAILS ABOUT THE BANK ACCOUNT WHICH WILL BE BLOCKED BY THE SELF-CERTIFIED SYNDICATE BANKS ("SCSBS") FOR THE SAME. FURTHER PURSUANT TO SEBI CIRCULAR BEARING NO. SEBI/HO/CFD/TPD1/CIR/P/2023/140, FOR IMPLEMENTATION OF PHASED III FOR UPI FACILITY, WHICH IS EFFECTIVE FROM DECEMBER 01, 2023 ON MANDATORY BASIS, ALL POTENTIAL BIDDERS (EXCEPT ANCHOR INVESTORS) ARE REQUIRED TO MANDATORILY UTILIZE THE APPLICATION SUPPORTED BY BLOCKED AMOUNT ("ASBA") PROCESS PROVIDING DETAILS OF THEIR RESPECTIVE ASBA ACCOUNTS OR UPI ID (IN CASE OF RIIs), IN WHICH THE CORRESPONDING APPLICATION AMOUNTS WILL BE BLOCKED BY THE SCSBS OR UNDER THE UPI MECHANISM, AS APPLICABLE. FOR DETAILS IN THIS REGARD, SPECIFIC ATTENTION IS INVITED TO THE "ISSUE PROCEDURE" ON PAGE NO. 203 OF THE RED HERRING PROSPECTUS. IN CASE OF DELAY, IF ANY IN UNBLOCKING/REFUND THE FUND, OUR COMPANY SHALL PAY INTEREST ON THE APPLICATION MONEY AT THE RATE OF 15% PER ANNUM FOR THE PERIOD OF DELAY. THE ISSUE IS BEING MADE UNDER PHASE III OF THE UPI (ON A MANDATORY BASIS).

1) Basic Earnings per Share (EPS) as per Accounting Standard 20.

On the basis of Standalone financials statements:

Financial Year	Basic EPS (₹)	Diluted EPS (₹)	Weight (x)
2023-24	4.14	4.14	3
2022-23	7.20	6.19	2
2021-22	-44.50	-40.49	1
Weighted Average EPS (₹)	-2.94	-2.61	6

2) Price to Price / Earning (P/E) Ratio in relation to Price band of ₹ 75 to ₹ 82 per Equity Share:

On the basis of standalone Financials:

Particulars	P/E Ratio at Floor Price (no. of times)	P/E Ratio at Cap Price (no. of times)
P/E ratio based on the Weighted Average EPS	18.1	19.8

3) Return on Net Worth (RONW)

On the basis of standalone Financials:

Financial Year	RONW (%)	Weight (x)
2023-24	30.33%	3
2022-23	11.78%	2
2021-22	-64.30%	1
Weighted Average RONW	8.37%	6

4) Net Asset Value per Equity Share

On the basis of standalone financials:

Financial Year	NAV
2023-24	13.09
2022-23	61.20
2021-22	54.00
2020-21	22.11
NAV after the Issue (Cap Price)	31.35
NAV after the Issue (Floor Price)	29.50

5) Comparison with industry peers

Name	Face Value (₹)	Revenue (₹ in Lakhs)	Basic EPS (₹)	Diluted EPS (₹)	Price to Earning (based on Diluted EPS)	RONW (%)	NAV per Equity Share (₹)
TechEra Engineering (India) Limited	10	3,874.88	4.14	4.14	[•]	30.33%	13.09
Paras Defence and Space Technologies Ltd	10	26.177	8.22	8.22	140.51	6.75%	114.01
Azad Engineering Ltd	2	37,276.4	11.2	11.2	141.25	9.08%	109.12

Source: All the financial information for listed industry peers mentioned above is on a Consolidated basis as available sourced from the financial Reports of the peer company uploaded on the NSE website for the year ended March 31, 2023

Notes:

For further details see section titled Risk Factors beginning on page 17 and the financials of the Company including profitability and return ratios, as set out in the section titled Auditors Report and Financial Information of Our Company beginning on page 162 of the Red Herring Prospectus for a more informed view.

Key financial and operational performance indicators ("KPIs")

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of various verticals.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated February 28, 2023 and the members of the Audit Committee have verified the details of all KPIs pertaining to the Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of the RHP. Further, the KPIs herein have been certified by M/s DASK & Associates, Chartered Accountants, by their certificate dated March 20, 2024.

1. Key metrics like revenue growth, EBITDA Margin, PAT Margin and few balance sheet ratios are monitored on a periodic basis for evaluating the overall performance of our Company.

(Amounts in ₹ Lakhs)

Key Performance Indicator	Fiscal 2023-24	Fiscal 2022-23	Fiscal 2021-22
Revenue from operations	3,874.88	2,643.44	717.80
EBITDA	901.38	424.74	-357.69
EBITDA Margin(%)	23.26%	16.07%	-49.83%
PAT	482.25	130.50	-628.70
PAT Margin(%)	12.45%	4.94%	-87.59%
ROE(%)	30.33%	11.78%	-64.30%
ROCE(%)	23.47%	9.71%	-29.42%

Notes:

⁽ⁱ⁾ Revenue from operations is the total revenue generated by our Company.

⁽ⁱⁱ⁾ Growth in Revenue from operations in percentage, Year on Year

⁽ⁱⁱⁱ⁾ EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses

^(iv) EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

^(v) EBITDA Growth Rate Year on Year in Percentage

^(vi) ROCE: Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long-term debt

RISKS TO INVESTORS

- Our business is dependent on the sale of our products to key customers. The loss of any of our key customers or loss of revenue from sales to our customers could have a material adverse effect on our business, results of operations, financial condition, cash flows and future prospects.
- We are highly dependent on a single Manufacturing Facility for the entire portion of our revenue from operations. Any disruption, breakdown or shutdown of our Manufacturing Facility may adversely affect our business, results of operations, financial condition, cash flows and future prospects.
- Material adjustments have been made in the financial statements of the Company by our Independent Peer-Reviewed Auditors.
- Our Company has delayed payment of Government and statutory dues, and has been penalised.
- Our company has not complied with certain statutory provisions of the Companies Act and Rules thereunder. Such non-compliance may attract penalties and other actions against our Company and its Directors which could impact the financial position of us to that extent.

[illegible]