

April 02, 2024

To, The General Manager, Department of Corporate Services, BSE Limited, P.J. Towers, Dalal Street, Mumbai – 400001 Company Code No.: 543972	To, The Listing Department, National Stock Exchange of India Limited Exchange Plaza, C-1, Block G Bandra Kurla Complex Bandra (E), Mumbai – 400 051 Trading Symbol: AEROFLEX
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**Sub: Acquisition Updates.**

Dear Sir/Ma'am,

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, we enclose herewith the Acquisition Updates.

Kindly take the same on your record.

Thanking you,

Yours faithfully,

**FOR AEROFLEX INDUSTRIES LIMITED**

**ASAD**  
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**DAUD**  
**Asad Daud**  
**Managing Director**  
**DIN:02491539**

Encl.: as above

# ACQUISITION UPDATE



"Commitment to Excellence"

2nd April 2024

Aeroflex Industries Limited



**Manufacturer of Metallic Flexible Flow Solutions**



**100% Acquisition**



Hyd-Air Engineering Private Limited



**Manufacturer of Hydraulic Fittings, Fluid Connectors & Flanges etc.**



<https://www.aeroflexindia.com/>



<https://hyd-air-group.com/>

# MANAGEMENT QUOTE



**Asad Daud**

Managing Director

*In light of the acquisition, Mr. Asad Daud, the Managing Director of Aeroflex, commented,*

*The approval from our Board marks a significant milestone as we move forward with the acquisition of Hyd-Air Engineering Private Limited. Furthermore, the synergy between Aeroflex's R&D capabilities and Hyd-Air's expertise promises to enrich our product offerings, fostering innovation and bolstering our competitiveness in the market.*

*This strategic move not only opens pathways for our entry into critical sectors like Railways, Shipbuilding, and Heavy Industries but also positions Aeroflex for significant growth in Sales and EBITDA margins by expanding our assembly product offerings. The acquisition of Hyd-Air strengthens our market position and sets Aeroflex on a path for long-term success.*

# DEAL DETAILS



"Commitment to Excellence"

- **Name of the target entity: Hyd-Air Engineering Private Limited**
- **Brief of Company: Manufacturer of Hydraulic fittings, Fluid Connectors & Flanges etc.**
- **Turnover: FY23 (audited): INR 5.17 crore; FY24 (provisional): INR 8.06 crore**
- **Cost of acquisition : INR 17,20,86,172/-**
- **Percentage of shareholding / control acquired and / or number of shares acquired : 100% shareholding**
- **Indicative time period for completion of the acquisition: Within 60 Days from the date of execution of Share Purchase Agreement**
- **Objects and impact of acquisition: Acquisition of Hyd-Air Engineering Private Limited will help the Company to:**
  - \* **Use Hyd-Air's products as components and fittings to boost the sales of its assembly products business**
  - \* **Increase its product portfolio**
  - \* **Dive deeper into sectors such as Railways and Shipbuilding and other heavy industries**



# ACQUISITION OBJECTIVES (1/2)



"Commitment to Excellence"



## **Established Expertise**

Renowned legacy manufacturer specializing in Hydraulic Fittings, Instrumentation fittings, Double Ferrule Fittings, SAE Flanges, Valves, Quick Disconnect Couplings, and Minimes Couplings, boasting in-house Product Testing facilities.



## **Industry Pioneer Integration**

Expertise of industry veteran Mr. Nadir Karachiwala with over 45 years of experience, who introduced German technology to the nation in 1969, establishing the foundation of Hyd-Air Engineering Works, later formalized as Hyd-Air Engineering Private Limited in 1981.



## **Strategic Advisory from Industry Expert**

Leveraging the advisory role of Mr. Karachiwala, former Chair of the Steering Committee of the Bureau of Indian Standards (BIS) for Pipe Fittings and Hose Connectors, we're delighted to retain him as an advisor, offering invaluable insights to drive our R&D efforts for new products and innovations. He is a graduate of the esteemed R.W.T.H. Aachen University in Germany.



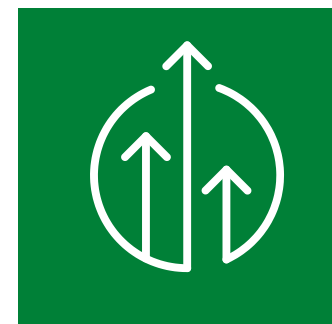
## **Proven Track Record**

The Company has an extensive history of delivering value to esteemed clientele across diverse sectors such as Railways, Engineering, Automotive, Energy & Power, Shipbuilding, and other Heavy industries.



## **Clientele Network**

Access to a prestigious clientele roster featuring industry giants like SAIL, BHEL, JSW, Arcelor Mittal – Nippon, KSB Pumps, MCF, ICF, RCF, Tata Power, Tata Motors, Mahindra, TAFE, L&T, Mazgaon Dockyard, and Goa Shipyard.



## **Versatile Manufacturing Capabilities**

The Company has capability to produce a wide range of products using various materials, including SS, and in different sizes, enhancing competitiveness within the market.

# ACQUISITION OBJECTIVES (2/2)



"Commitment to Excellence"



## **Capacity Expansion**

Current capacity utilisation of approx 30% ensures room for growth to leverage existing infrastructure. Aeroflex further plans to invest approx INR 18 crores to increase production capacity over the next 2-3 years.



## **Strategic Location Advantage**

Locational advantages by tapping into a robust vendor network and proximity to marquee OEMs in the MIDC-Chakan, Pune region.



## **Infrastructure Availability**

The site has a land area of approx 60,000 sqft, with a current built-up area of approx 17,000 sqft. Additionally, there is potential for further expansion, with an additional 43,000 sqft available for future development.



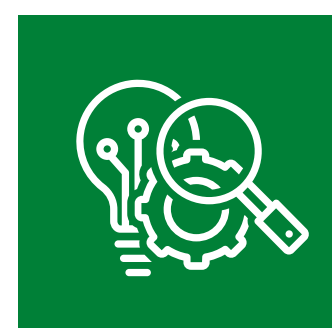
## **Sectoral Advantage**

This acquisition opens doors to new sectors including Railways, Shipbuilding, and Heavy Industries, providing Aeroflex with a strategic advantage to diversify its portfolio and penetrate lucrative markets with high growth potential.



## **Continuity of Present Team**

Retaining existing team post-acquisition, maintaining stability and fostering a seamless transition.



## **Synergies in Research and Development**

Synergies between Aeroflex's R&D capabilities and NABL lab with Hyd-Air's expertise to broaden the product portfolio and drive innovation, enhancing market competitiveness.


Aeroflex gains a direct advantage by using the acquired company's products in its fluid control assemblies, fueling expansion into assembly products. Additionally, combining Aeroflex's R&D with Hyd Air's expertise broadens the product range and drives innovation for enhanced market competitiveness and facilitating aggressive expansion into sectors such as Railways, Shipbuilding & Heavy Industries. With the strategic acquisition of Hyd Air, Aeroflex is poised for a substantial increase in Sales and EBITDA margins following the addition of assembly products into its portfolio. This strategic move strengthens Aeroflex's market position.




"Commitment to Excellence"



# Thank You

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