

## OUR BUSINESS

*Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward looking statements that involve risks and uncertainties. You should read the chapter titled “Forward Looking Statements” beginning on page **Error! Bookmark not defined.** of this Draft Prospectus, for a discussion of the risks and uncertainties related to those statements and also the chapter “Risk Factors” beginning on page **Error! Bookmark not defined.** of this Draft Prospectus for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our Fiscal Year ends on March 31<sup>st</sup> of each year, so all references to a particular Fiscal are to the twelve-month period ended March 31<sup>st</sup> of that year.*

*The financial information used in this section, unless otherwise stated, is derived from our Financial Information. The following information is qualified in its entirety by and should be read together with, the more detailed financial and other information included in this Draft Prospectus, including the information contained in the chapters titled “Risk Factors” and “Financial Statements” beginning on pages **Error! Bookmark not defined.** and **Error! Bookmark not defined.** respectively of this Draft Prospectus.*

### Overview

Our Company is a full-service provider of global manufacturing, engineering and supply chain management services to and from India. Our primary focus remains to support “Make in India” governmental initiative by developing supplier capabilities in India. We also offer efficient services in advanced engineering, 3D scanning, rapid prototyping, flow simulation, project management and quality management in India. We partner with sales organizations in North America, Europe and China.

We help our customers find the right manufacturing source in India for their products, work with qualified and ISO-certified suppliers. Then we manage these products utilizing latest supply chain and logistics partners to be close to customer locations around the world.

We help our customers understand the benefits and savings of global manufacturing by helping many OEMs and Tier 1 customers manage their entire manufacturing and supply chain processes. Our mission is to deliver top-quality components in a timely and efficient manner, so we can reduce our customers’ overheads in as many areas as possible.

Our Company started operations in 2015 and is now promoted by Nipul Keniya, who has an industry experience of almost 25 years and possesses business intellect in the marketing and trading circles of the engineering and supply chain industry. Our Promoter is supported by one of our executive director, Hiten T Shah & our experienced management and dedicated team who together manage and control the major affairs of our business operations. Our staff includes six sigma engineers, sourcing experts, quality inspectors and supply chain experts to maintain optimal metrics for the work we do.

With over 12 years of experience and know-how in international procurement markets, as well as significant experience in overseeing manufacturing and quality engineering, we currently majorly cater to our client/associate entity, MES Inc., USA. We are working towards our aim is to explore additional opportunities and extending our reach globally by

associating with various other Indian and international entities who require our comprehensive range of services which include sourcing, procurement, quality management and supply chain management.

We believe our success is the result of sustained efforts over the years in key aspects of our business, such as product portfolio, process improvements, and relationships with our suppliers and our major customer. Our growth and profitability are driven by our ability to make available an assortment of quality products and allied services. Our company has recently been awarded “Best Exporter of the Year” in the Small Business Awards 2021, “Most Trusted Exporter in Western India” by Topgallant Media for International Service Pride Awards 2021 and declared “Winner” at the India 5000 BEST MSME Awards 2021.

Our revenue from operations was Rs. 2,003.95 lakhs, Rs. 2,971.69 lakhs, Rs. 2,001.87 lakhs and Rs. 763.63 lakhs for 9 months period ended December 31, 2020 and Fiscals 2020, 2019 and 2018, respectively. Our revenue from operations has grown at a CAGR of 57% during Fiscal 2018 to 2020.

The company’s EBITDA was Rs. 139.02 lakhs, Rs. 201.21 lakhs, Rs. 141.80 lakhs and Rs. 70.56 lakhs for 9 months period ended December 31, 2020 and Fiscals 2020, 2019 and 2018, respectively.

Our restated profit after tax was Rs. 99.63 lakhs, Rs. 139.45 lakhs, Rs. 93.43 lakhs and Rs. 43.98 lakhs for 9 months period ended December 31, 2020 and Fiscals 2020, 2019 and 2018, respectively. The net profit after tax has grown at a CAGR of 47% during Fiscal 2018 to 2020.

### ***Impact of COVID-19 on our business operations***

The pandemic outbreak has caused an economic downturn on a global scale, including closures of many businesses and reduced consumer spending, as well as significant market disruption and volatility. The manufacturing operations for our products were shut down from March 22, 2020, to May, 2020 and we resumed our operations in a phased manner and were fully operational by September 2020. The demand for our products is dependent on and directly affected by factors affecting industries where our products are applied. For e.g., many of our clients’ projects were halted. We faced increased inventory levels during the first few months of the pandemic due to virtual halt of the operations. Despite the impact of the COVID-19 pandemic, our revenue from operations stood at ₹13,036.40 lakhs during the nine months ended December 31, 2020, due to continuous support of suppliers & our customers

Though India is in stage of initial distribution of vaccines, we cannot predict the timelines as to when the vaccines shall reach at mass level. We continue to closely monitor the impact that COVID-19 may have on our business and results of operations. It is difficult for us to predict the impact that COVID-19 will have on us, our customers or suppliers in the future.

### **Our Strengths**

We consider our business strengths to be the following:

#### ***1. Wide product and services portfolio with focus on quality***

We have gradually diversified, expanded and evolved our range of products and services to provide a one-stop solution for our customers. As on December 31, 2020, our product portfolio consists of over thirteen types of engineered castings and forged parts in addition to supply chain management services. We engage in facilitating and monitoring continuous manufacturing of new varieties based on the orders of our customers and meet their specifications and requirements. We also provide reverse engineering, rapid prototyping, flow simulation, and 3D printing services. We believe that maintaining a wide range of products and services in our business provides us with an opportunity to cater to diverse needs of customers and provide end-to-end assistance.

Our Company believes in qualitative manufacturing and adheres to various qualitative standards. Our products undergo quality check at various levels of production. to ensure that any quality defects or product errors are rectified on real time basis. Our products are also certified as compliant with various quality standards including ISO9001, IATF and ISO14001. We have an in-house laboratory for quality control purpose which have 9 employees as of December 31, 2020. We believe that focus on quality are the key strengths for our success over the years. Our qualitative approach has helped us become a continuous supplier and preferred by the end consumer businesses as well as our major customer.

## ***2. Existing well established relationship with well-connected client in the ever- growing USA market***

We manage a wide range portfolio of products which are being sold to our customer MES Inc., who then supplies the products to the end customer. We manage the entire process for the customer, i.e., from choosing the optimal supplier, sourcing, overseeing the process, quality audit to logistics of the products reaching the customer. We combine our expertise with an understanding of the engineered products market developed through client feedback and extensive interaction with various end consumer companies who use our products. We believe that we constantly try to address customer needs with a variety of products. Our existing client relationship helps us to get repeat business from our customer. This has helped us maintain a long-term working relationship with our customer and improve our customer retention strategy.

Our customer is a well-connected supplier of engineered products in the USA market, will established business as its clients. This ensures repeat orders and stream-lined production to delivery processes which enable us to grow our product and service umbrella with a continuous flow of orders.

## ***3. Experienced management and dedicated employee base***

We have an experienced management team with significant expertise in the engineering goods industry and supply chain management. Our management team collectively has many years of entrepreneurial and managerial experience in our industry. This has facilitated efficient operational coordination and continuity of effective business strategies. Their industry experience enables us to anticipate and address variance in customer specifications, manage and grow our operations, maintain and leverage customer relationship.

Our experienced management team is led by Nipul Keniya, our Chairman and Managing Director, who has approximately 25 years of experience in our industry. Other members of the senior management team such as Thangaraj Kutty, Prasanth Kesavan, Prakash Subramaniam, Suhas Jagtap, Mitesh Malkan, also have extensive industry experiences in

their respective fields. We had 25 employees as of December 31, 2020, across our key business verticals, excluding contract employees. We believe that the experience and relationships with various stakeholders that our management team has, enabled us to extend our operating capabilities, improved the quality of our products, continuously innovate our processes and achieved our growth in our industry.

#### ***4. Asset light business model and competitive products***

Our business model is such that we rely on our ability to design quality and technically sound products from a suitable manufacturer. We have a long-standing relationship with our suppliers and continuously scope out new manufacturers and provide supplier development assistance along with technical and quality support to ensure smooth processes and proactive communication. This arrangement allows us to scale our operations quickly and the products are manufactured as per our specifications at a pre-determined cost and as per our quality standards without incurring any capital expenditure on manufacturing facilities.

We operate on an asset light business model which does not require us to invest heavily on physical assets such as plant and machinery, office equipment, etc. and therefore we believe this business model allows us to be capital efficient. We believe our business model is scalable, such that we can expand our geographical reach and production capacity and add new products efficiently without disrupting our existing business. Further, this also helps us in better cash flow management and lower risk.

### **Our Strategies**

Our business strategies include the following:

#### ***1. Increase our geographical reach by exploring other international markets***

At present, we supply products and provide services primarily to our client base in USA and Mexico. Thus, we are only benefiting from our client's reach across the US market. We intend to explore other international markets and source opportunities with varied businesses across different geographies. We believe that this will help us build global connections, expand our scope and scale of operations, and establish a brand recognition.

#### ***2. Expand our supplier base***

Currently, we work with those suppliers with whom we have developed a relationship. We intend to continue to grow our supplier's network in line with the growth of our business operations as well as provide supplier development and hand holding. Our suppliers, receive quality checks and engineering support, which enables a continuous improvement in their products and processes. This along with integrated supply chain and inventory support aids in ensuring proactive communication, smooth launches and a quality end product. Bombay Metrics philosophy is to create win-win solutions for our suppliers and customers, create a challenging and exciting work environment for our team, and to develop quality suppliers across the globe.

#### ***3. Focus on establishing our presence in domestic market***

At present, we are supplying only to one major international client. We intend to explore domestic entities seeking engineered products and the range of services we provide and thus

creating a local presence. We believe that our brand and reputation and ability to provide qualitative, wide range of products at competitive prices will help us to develop a fairly new but strong presence in the domestic market. We have already initiated the process of registering as a vendor for 2 Indian multinational conglomerates and are aiming to connect with more such large and well-known entities and thus establish our brand recognition in India, as well.

**4. Continue to improve operating efficiencies through technology enhancements and supplier development**

At Bombay Metrics, we provide complete support and guidance to our suppliers and engage in developing, monitoring and training them to ensure optimal growth and benefit from opportunities. We continue to further help to develop our suppliers’ technology systems to increase asset productivity, operating efficiencies and strengthen our competitive position. We believe that the technology and operational capabilities will continue to play a key role in effectively managing and expanding our operations, maintain strict operational and fiscal controls and continue to enhance customer service levels. We intend to continue to invest time, knowledge, research and efforts in our suppliers’ technology capabilities to develop customized systems and processes to ensure effective and efficient control on products and processes. We continue to focus on further strengthening our operational and fiscal controls.

**5. Business Operations**

Over the years, we have established a track record of successfully executing and delivering majority of our orders in a timely manner and have developed and enhanced competencies in the areas in which we operate. Details of operation wise break-up of revenue for the fiscals ended on March 31, 2018, 2019 and 2020 and the 9 months period ended December 31, 2020 are as follows:

Details	% of Revenue from Operations			
	Fiscals			9 months period ended
	2018- 19	2019-20	2020- 21	31/12/2020
Products	74.88%	88.65%	91.68%	93.78%
Services	25.12%	11.35%	8.32%	6.22%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

## **Product Portfolio**

A brief description of the products made available, processes monitored and the industry to which they find their application in are as follows:

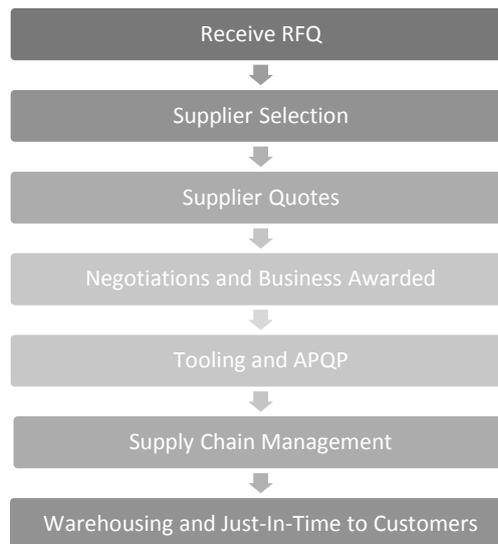
<b>Sr No.</b>	<b>Process Involved</b>	<b>Type of Product</b>	<b>Description</b>	<b>Application/ Industry</b>
1.	Die casting	Aluminum castings		Lighting / Medical / Electrical
2.	Green sand moulding	Iron Castings		Aggregates / Agriculture / Heavy Truck
3.	Shell moulding	Alloy Steel		Hydraulics / Automotive
4.	Investment casting	Stainless Steel		Lighting / Automotive
5.	Gravity casting	Aluminum		Lighting / Automotive
6.	CNC Machining	Various – Brass, Steel, Ferrous, Non-Ferrous		Hydraulics / Motion Control
7.	Extrusion	Aluminum		Lighting / Solar
8.	Forging	Ferrous Forged parts		Specialty Vehicles
		Nonferrous Forged parts		Construction
9.	Stamping	Stamping parts		Lighting / Medical
10.	Assemblies	<b>Various</b>		Lighting
		Copper parts		

## Services

Our services may be understood as a complete Supply Chain Management service centered on quality, value and efficiency. Supply Chain Management (SCM) is a strategic science that goes into improving the way your company sources component parts from manufacturers.

Bombay Metrics has developed proven strategies for each phase of the Supply Chain Management process. Our well managed sourcing-to-delivery solution allows us to pass on savings to our customers, not just in component costs and shipping rates, but also money saved by lowering lead times in tooling and the manufacturing process.

### ***Bombay Metrics – Business Process Flow***



#### ➤ Quality Management:

At Bombay Metrics, quality management is a continuous process at every stage. We constantly invest time and resources towards our suppliers, which ensures the products are technologically sound and a minimal rejection rate.

- Conduct checking of raw materials supplied by third parties at independent labs
- We utilize project management tools and Advanced Product Quality Planning (‘APQP’) to track every step of the tooling and manufacturing process.
- Conduct inspections at supplier’s manufacturing locations to ensure accurate measurements and method of production are being followed.
- In-person review of the product by Bombay Metrics Quality and Sourcing Engineers. Our Quality Team travels to all suppliers and conducts Audit and prepare a report on the observations made.
- Under the Overseas Quality Improvement Initiative, our engineers perform periodical Kaizen sessions with the key suppliers to improve part quality. Quality engineers, supplier inspectors, supplier operators and supplier quality managers are all involved.

#### ➤ Logistics vertical of SCM:

Majority of our shipments are sent through ship containers (i.e., waterways). In the event of short timelines or wherever required, we arrange a loose container load (i.e., by air) to be sent to the client.

We manage the global logistics process to save time and money on international shipping by:

- Selecting the logistics partner
- Consolidating shipments/ orders in containers, and sending a combined container, wherever possible.
- Managing required import and export procedures
- Monitoring port conditions and re-route shipments, if necessary
- Navigating customs requirements, paperwork, and shipment charges
- Ensuring delivery timelines are met with.

**Allied services provided by Bombay Metrics are:**

Tool Manufacturing:

Our tooling expertise team build tooling by outsourcing the manufacturing to third parties with start to end involvement of Bombay Metrics: Our tooling manufacturing methods such as introduction of Poka-Yoke for better output and ensure a quality product which:

- Increases productivity and enhance tool-life
- Reduces tooling lead time from months to weeks
- Ease of manufacturing for highly critical part configurations

Reverse Engineering:

We support OEMs to re-design their long running parts to use them in modern production techniques.

Our scope in reverse engineering includes:

- Generating models from samples
- Creating tooling models as per process requirements
- Re-design the product to align with new project lines
- Making customer proposal to eliminate product risk
- Rapid prototyping for design validation and process establishment

**Utilities**

*Infrastructure*

Our Offices are well equipped with computer systems, internet connectivity, other communication equipment and security, etc. which are required for our business operations.

## **Inventory Management**

The raw materials are mainly stored on-site at the manufacturing facilities and the finished goods are moved. We produce a quantity of finished products that is determined based on confirmed orders and thus delivery of the same is generally by just-in-time basis.

## **Competition**

We compete with Indian as well as global companies who are able to provide supply of the products needed by the client. We face competition from various domestic and international manufacturers and traders and other players, showcasing no significant competitive advantage in terms of innovation or differentiation. Competition emerges from small as well as big players in the engineering parts and products industry. The organized players in the industry compete with each other by providing high quality, consistent and time bound products and value-added services. We believe the principal elements of competition in our business are consistent and quality products, their prioritized production and delivery and strong relations with manufacturers. We compete against our competitors by establishing ourselves as a knowledge-based company by assisting manufacturers at every step of production and we focus on providing products and services that would be in consonance with technical and quality requirements of our customer as well as we try to offer competitive pricing without compromise on the quality.

In the future, we may also face competition from new entrants in the segment. Some of these players may already have a robust procurement network and develop better relations with our major client, MES Inc., which could impact our revenue and profitability.

## **Insurance**

Our operations are subject to risks inherent in our operations, such as risk of material or equipment loss, damage to goods in transit, work or employee accidents, fire, earthquake, flood and other force majeure events, acts of terrorism and explosion including hazards that may cause injury or loss of life, severe damage to or destruction of properties, equipment and environmental damage.

As per our arrangement with our customer, our company has to bear the product liability till it reaches the Indian port/ airport, after which, the liability lies with the customer. To overcome these uncertainties, we have a Vehicle Insurance Policy and a Comprehensive General Liability Policy which includes bodily injury and property damage liability, personal and advertising injury liability and medical payments. BM carries marine cargo-single voyage (sea), marine cargo-single voyage (inland transit), marine cargo cover note, standard fire and special perils policy, burglary, vehicle / car insurance policy, workman compensation policy and group health insurance.

## Human Resources

Details of the manpower employed by our Company as on December 31, 2020 is as follows:

Sr. No.	Classification	No. of employees
1.	Executive Directors	3
2.	Accounts, Finance & Secretarial	2
3.	Sourcing	5
4.	Quality Control	9
5.	Supply Chain Management	6
	<b>Total</b>	<b>25</b>

In addition to the above, we also engage contract labour as per requirements of the project.

## Collaboration

BM collaborates with variety of partners – IT, finance, HR, marketing for its operational needs. BM also collaborates with variety of suppliers by sourcing tooling, raw materials and fixturing for its manufacturing suppliers.

## Intellectual Property

As on the date of this Draft Prospectus, our company has not applied for registration for any intellectual property rights.

With regards to risks associated with the same, please refer section titled “*Risk Factors*” on page no. *Error! Bookmark not defined.* of this Draft Prospectus.

## Properties

The details of our Offices are as follows:

Purpose	Location	Agreement
Registered Office	Office No: 307, 3rd Floor, Ashish Udyog Bhavan, Ram Chandra Lane Extn., Malad (West), Mumbai - 400064, Maharashtra	Leased
Office	S.S. Towers, First floor 9/1A5, Palani Swamy Colony, Nehru Nagar East, Kalapatti Main Road, Civil Aerodrome Post, Coimbatore- 641014	Leased