

BASIS FOR ISSUE PRICE

The Price Band and the Issue Price was determined by our Company in consultation with the BRLM, on the basis of the Book Building Process and the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Issue floor Price is ₹ 46 which is ₹ 4.6 times of the face value of Equity Shares and the Issue Cap Price is ₹ 49 which is 4.9 times of the face value of Equity Shares. Investors should refer to “Risk Factors”, “Our Business”, “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 24, 121, 193 and 218 respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors which form the basis for the Issue Price are:

1. Long-standing relationships with established customers, with potential to expand our customer base
2. diverse range of specialised plastic products across varied customer segments
3. Robust design optimisation capabilities
4. Sustainable business development
5. Existing client and supplier relationships
6. Strategic location of manufacturing units

For more details on quantitative factors, please refer to chapter "Our Business- Competitive Strengths" on page 134.

Quantitative Factors

Some of the information presented in this section is derived from our Restated Financial Information. For details, see “Financial Information” on page 193.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. Basic and Diluted Earnings per Share : On Standalone Basis

Particulars	Basic & Diluted EPS (in ₹)	Weights
As at 31 st March 2024	10.03	3
As at 31 st March 2023	3.35	2
As at 31 st March 2022	1.63	1
Weighted Average	6.40	
For the period ended June 30, 2024 (Not annualised)	1.03	

Notes:

1. Basic EPS = Net profit after tax, as restated attributable to equity holders of the Company divided by Weighted average number of equity shares outstanding during the year/period
2. Diluted EPS = Net profit after tax, as restated attributable to equity holders of the Company divided by Weighted average number of dilutive equity shares outstanding during the year/period
3. Weighted average is aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. {(EPS x Weight) for each year} / {Total of weights}
4. The basic and diluted earnings per share for the Equity Shares of our Company has been presented to reflect the adjustments for issue of bonus shares/Right Issue subsequent to June 30, 2024.

2. Price Earnings Ratio (P/E) in relation to Price Band of ₹ 46 to ₹ 49 per share of ₹ 10 each

Particulars	P/E (at the higher end of the Price Band no. of times)
Based on basic EPS for period ended 30 th June 2024	47.57
Based on diluted EPS for period ended 30 th June 2024	47.57

Industry Peer Group P/E ratio

Particulars	Industry P/E
Highest	63.6
Lowest	17.3

Industry Average	40.45
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Source: The industry high and low has been considered from the industry peer set provided later in this section. The industry average has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section

2. Return on Net Worth ("RoNW"): On Standalone Basis

Particulars	RoNW (%)	Weights
As at 31 st March 2024	28.90	3
As at 31 st March 2023	13.56	2
As at 31 st March 2022	7.65	1
Weighted Average	20.24	
For the period ended June 30, 2024 (Not annualised)	6.37	

* Not annualised.

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RoNW is calculated as net profit after taxation and minority interest attributable to the equity shareholders of the Company divided by shareholders' funds for that year. Shareholders' funds = Share capital + reserves & surplus – revaluation reserves.

4. Net Asset Value per Equity Share: On Standalone Basis

Net Asset Value per Equity Share	NAV Per Equity Shares (Rs)
As on June 30, 2024	16.10
As at 31 st March 2024	34.70
As at 31 st March 2023	24.7
As at 31 st March 2022	21.3
After the Completion of the Offer:	
-At Upper Price Band	53.41
-At Lower Price Band	50.41

Notes: Net Asset Value per Equity Share = Net worth derived from Restated Financial Statements as at the end of the year divided by number of equity shares outstanding as at the end of the year as per Restated Financial Statements.

5. Comparison with Listed Industry Peers[#]

(in lakhs)

Name of the Company	Revenue from Operations (₹ in lakhs)	Face Value per equity share (₹)	P/E	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV per equity share (₹)
Premium Plast Limited	4,670.59	10	4.89	10.03	10.03	28.90%	34.70
Listed Peers							
Varroc Engineering Limited	4,53,496	1	17.00	23.37	23.37	39.22%	59.51
Uno Minda Ltd	8,98,330	2	64.80	10.22	10.21	21.59%	47.28

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Source: Annual Report for the financial year 2024.

6. Financial Key Performance Indicators ("KPIs")

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

table below sets forth the details of our KPIs that our Company considers have a bearing for arriving at the basis for Offer Price.

(₹ in lakhs, except EPS, % and ratios)

Key Performance Indicators#	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations ⁽¹⁾	1,212.81	4,670.59	4,404.12	3,099.15
Total Revenue ⁽²⁾	1,212.81	4,670.59	4,404.83	3,104.78
Gross Profit ⁽¹⁾	351.05	1378.77	852.60	697.84
Gross Margin ⁽²⁾	28.95	29.52	19.36	22.48
EBITDA ⁽³⁾	194.51	645.33	220.77	97.23
EBITDA Margin ⁽⁵⁾	16.04	13.82	5.01	3.13
Profit After Tax for the Year("PAT")	141.16	477.55	159.32	77.70
PAT Margin ⁽⁶⁾	11.64	10.22	3.62	2.50
ROE ^{(7)*}	6.37	28.90	13.56	7.65
ROCE ^{(4)(8)*}	7.88	28.01	13.95	6.76
Net Debt/ EBITDA ⁽⁹⁾	1.16	0.98	1.80	4.12

***Not Annualized**

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Notes:

1. Revenue from Operations means the income generated by an entity from its daily core business operations
2. Gross profit represents revenue from operations less cost of goods sold. Cost of goods sold comprises of cost of materials consumed, Purchases of Stock-In-Trade and Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade
3. Gross profit margin is calculated as gross profit as a percentage of revenue from operations
4. EBITDA means Earnings before interest, taxes, depreciation and amortization expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year / period and adding back finance costs, depreciation, and amortization expense
5. EBITDA margin is calculated as EBITDA as a percentage of revenue from operations.
6. Net Profit after tax represents the restated profits of our Company after deducting all expenses
7. Net Profit margin is calculated as restated net profit after tax for the year/period divided by revenue from operations
8. RoE (Return on Equity) (%) is calculated as net profit after tax for the year / period divided by Average Shareholder Equity.
9. Return on capital employed calculated as Earnings before interest and taxes divided by average capital employed (average capital employed calculated as average of the aggregate value of total equity, total debt and deferred tax liabilities of the current and previous financial year/period)

Comparison of our key performance indicators with listed industry peers for the Financial Years/ periods included in the Restated Financial Information:

(₹ in lakhs, except EPS, % and ratios)

Particulars	Premium Plast Limited			Varroc Engineering Limited			Uno Minda Ltd		
	For the year ended on March 31			For the year ended on March 31			For the year ended on March 31		
	2024	2023	2022	2024	2023	2022	2024	2023	2022
Revenue from Operations (₹ in Lakhs)	4,670.59	4,404.12	3,099.15	4,53,496.00	3,94,020.00	3,29,181.00	8,98,330.00	7,18,713.00	4,95,973.00
Gross Profit (₹ in Lakhs)	1378.77	852.60	697.84	1,54,170.00	1,25,468.00	1,03,845.00	2,71,235.00	2,20,475.00	1,65,528.00

Gross Profit Margin	29.52%	19.36%	22.48%	34.00%	31.84%	31.55%	30.19%	30.68%	33.37%
EBITDA (₹ in Lakhs)	645.33	220.77	97.23	44,920.00	28,830.00	24,142.00	93,016.00	71,138.00	43,180.00
EBITDA Margin	13.82%	5.01%	3.13%	9.91%	7.32%	7.33%	10.35%	9.90%	8.71%
Net Profit after tax (₹ in Lakhs)	477.55	159.32	77.70	35,707.00	1,38,679.00	2,599.00	58,583.00	46,275.00	19,603.00
Net Profit Margin	10.22%	3.62%	2.50%	7.87%	-35.20%	0.79%	6.52%	6.44%	3.95%
Return on Net Worth	28.90%	13.56%	7.65%	39.22%	-250.15%	1.34%	21.59%	14.07%	5.23%
Return on Capital Employed	28.01%	13.95%	6.76%	15.55%	10.45%	3.13%	15.18%	13.07%	8.44%
Debt Equity Ratio	0.34	0.35	0.42	1.37	2.97	0.60	0.34	0.21	0.09

Notes:

1. Revenue from operations represents the revenue from sale of products of our Company as recognized in the Restated financial information
2. Gross profit represents revenue from operations less cost of goods sold. Cost of goods sold comprises of cost of materials consumed, Purchases of Stock-In-Trade and Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade.
3. Gross profit margin is calculated as gross profit as a percentage of revenue from operations.
4. EBITDA means Earnings before interest, taxes, depreciation and amortization expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year / period and adding back finance costs, depreciation, and amortization expense
5. EBITDA margin is calculated as EBITDA as a percentage of revenue from operations.
6. Net Profit after tax represents the restated profits of our Company after deducting all expenses
7. Net Profit margin is calculated as restated net profit after tax for the year/period divided by revenue from operations
8. Return on net worth is calculated as Net profit after tax, as restated, attributable to the owners of the Company for the year/ period divided by Average Net worth. Average net worth means the average of the aggregate value of the paid-up share capital and reserves and surplus of the current and previous financial year/period.
9. Return on capital employed calculated as Earnings before interest and taxes divided by average capital employed (average capital employed calculated as average of the aggregate value of total equity, total debt and deferred tax liabilities of the current and previous financial year/period).
10. Debt- equity ratio is calculated by dividing total debt by total equity. Total debt represents long term and short term borrowings. Total equity is the sum of equity share capital and reserves and surplus

WEIGHTED AVERAGE COST OF ACQUISITION:

a) The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities). The Company issued Equity Shares or convertible securities, excluding shares issued under bonus shares, during the 18 months preceding the date of this certificate, where such issuance is equal to or more than 5% of the fully diluted paid-

up share capital of the Company (calculated based on the pre-issue capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of 30 days.

Primary Transaction:

Sr. No.	Date of Allotment	Name of Allottees	Number of Equity Shares Allotted	Face Value per Share	Issue Price per (in ₹)	Nature of Consideration	Total Consideration (in Lakhs)
1.	June 08, 2024	Chetan Nagendra Dave	21,15,000	10	20	Cash	423.00
Weighted average cost of acquisition (secondary transactions) (₹ per Equity Share)							20

b) The price per share of our Company based on the secondary sale / acquisition of shares (equity / convertible securities).

There has been no secondary sale / acquisitions of Equity Shares or convertible securities, where the Promoters, or Promoter group entities on the Company's Board are a party to the transaction (excluding gifts) during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

Note: Since there are no such transactions to report under b, the following are the details of price per share of our Company basis the last five primary or secondary transactions (secondary transactions where Promoters, members of the Promoter Group, the Promoter Selling Shareholder, or Shareholder(s) having the special rights are a party to the transaction), not older than three years prior to the date of this Prospectus irrespective of the size of transactions.

d) Weighted average cost of acquisition, floor price and cap price:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor Price ₹ 46	Cap Price ₹ 49
I. Weighted average cost of acquisition for last 18 months for primary/new issue of shares (equity/convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of filing of this Daft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paidup share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days		N.A*	
II. Weighted average cost of acquisition for last 18 months for secondary sale/acquisition of shares equity/convertible securities, where promoter/ promoter group entities or selling shareholders or shareholder(s) having the right to nominate director(s) or selling shareholder in the Board are a party to the transaction, during the 18 months preceding the date of filing of this Prospectus, where either acquisition or sale is equal to or more than five percent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in		N.A*	

a single transaction or multiple transactions combined together over a span of rolling 30 days			
II. Since there are no such transactions to report to under (I) and (II) above, the information has been disclosed for price per share of our Company based on the last five primary or secondary transactions where our Promoters/members of our Promoter Group or Shareholder(s) having the right to nominate director(s) on the Board of our Company, are a party to the transaction, during the three years prior to the date of filing of this Prospectus irrespective of the size of the transaction, is as below:			
Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor Price ₹ 46	Cap Price ₹ 49
a) WACA of Equity Shares based on primary issuances undertaken during the three immediately preceding years	20	N.A	N.A
b) WACA of Equity Shares based on secondary transactions undertaken during the three immediately preceding years	NIL	N.A	N.A

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The Offer price is 4.9 times of the face value of the Equity Shares. The Offer Price of ₹ 49 has been determined by our Company, in consultation with the Book Running Lead Manager and is justified in view of the above qualitative and quantitative parameters.

Investors should read the above-mentioned information along with "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Information" on pages 24, 121 and 218 respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the "Risk Factors" on page 24 and you may lose all or part of your investment.