

BASIS FOR OFFER PRICE

The Issue Price of ₹ 86 per Equity Share has been determined by our Company, in consultation with the Lead Manager and justified by our Company, on the basis of an assessment of market demand for the Equity Shares through the Fixed Price Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Share of our Company is ₹10/- and Issue Price is ₹ 86 which is 8.6 times the face value. Investors should also refer “*Our Business*”, “*Risk Factors*” and “*Restated Financial Statements*” beginning on page no. 99, 22 and 162 respectively, of this prospectus, to have an informed view before making an investment decision.

QUALITATIVE FACTORS:

Some of the qualitative factors, which form the basis for computing the price, are –

- Long Standing Relationship with key Customers & Suppliers
- Quality Assurance
- Wide range of Products
- Experienced Promoters and professional management team with technical expertise

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to Section titled, “*Our Business*”, beginning on page no. 99 of this prospectus.

For more details on quantitative factors, please refer to chapter “*Our Business- Competitive Strengths*” on page 204.

Quantitative Factors

Some of the information presented below relating to our Company is based on the Restated Consolidated Financial Statements. For more details, please refer to “*Restated Financial Information*” on page 257.

Investors should evaluate our Company and form their decisions taking into consideration its earnings, and based on its growth strategy. 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 ("EPS")

Fiscal Year ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Basic EPS (in ₹) (Post Bonus)	Diluted EPS (in ₹) (Post Bonus)	Weight
March 31, 2024	7.20	7.20	7.20	7.20	3
March 31, 2023	4.08	4.08	2.04	2.04	3
March 31, 2022	2.69	2.69	1.03	1.0	2
Weighted Average	5.88			4.74	
March 31, 2024 (Pre-Bonus)			7.20		
March 31, 2024 (Post-Bonus)			7.20		

Notes:

- (1) The Company has allotted Bonus Shares in the Ratio of 1:1 on 17.02.2024, i.e. Post Restated Period
- (2) Earnings per Share are in accordance with Accounting Standard –0 - Earnings per Share, notified under the Companies (Accounting Standards) Rules, 2006, as amended
- (2) Basic Earnings per Equity Share (₹) = Profit for the year, as restated divided by Weighted average number of equity shares outstanding during the period/year
- (3) Diluted Earnings per Equity Share (₹) = Profit for the year, as restated divided by Weighted average number of diluted equity shares outstanding during the period/year
- (4) Weighted Average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights
- (5) The figures disclosed above are based on the Restated Financial Statements.

2. Price to Earning ("P/E") Ratio in relation to the Offer Price ₹ 86 per Equity Share:

Particulars	P/E Ratio (number of times)*
Based on Basic and Diluted EPS of ₹ 7.20 for Fiscal 2024	11.94
Based on Weighted Average EPS of ₹ 5.88	14.63

Industry Peer Group P/E ratio

There are no like to like comparable listed companies in India that are engaged in all aspects of the business that we operate. Accordingly, it is not possible to provide an industry comparison in relation to our Company

3. Return on Networth ("RoNW")

Fiscal Year ended	RoNW (%)	Weight
March 31, 2024	17.75	3
March 31, 2023	8.22	2
March 31, 2022	4.62	1
Weighted Average	12.39	

Notes:

- (1) *Weighted average = Aggregate of year-wise weighted Return on Net Worth divided by the aggregate of weights i.e. (Return on Net Worth x Weight) for each year/Total of weights.*
- (2) *Return on Net Worth (%) = Restated profit for the year divided by Net worth at the end of the year.*
- (3) *Net worth = Equity Share capital plus Reserves and Surplus*

4. Net Asset Value per Equity Share (Face Value of ₹ 10/- each)

Particulars	NAV per Equity Share (₹) (Pre- Bonus)	NAV per Equity Share (₹) (Post-Bonus)
As on March 31, 2024	40.56	40.56
As on March 31, 2023	66.72	33.36
As on March 31, 2022	58.09	30.34
After the Completion of the Offer:		
- At Offer Price of ₹ 86	49.47	

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.*

The Company has allotted Bonus Shares in the Ratio of 1:1 on 17.02.2024, i.e. Post Restated Period

5. Comparison with Listed Industry Peers

There are no like to like comparable listed companies in India that are engaged in all aspects of the business that we operate. Accordingly, it is not possible to provide an industry comparison in relation to our Company

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 lakh except percentages and ratios)

Key Performance Indicators	March 31, 2024	March 31, 2023 [#]	March 31, 2022 [#]
Revenue from Operations	44598.65	20,724.19	12,310.14
Total Revenue	45462.68	21,471.14	12,782.50
Gross Profit ⁽¹⁾	939.83	2,860.65	2,115.41
Gross Margin ⁽²⁾	2.07	13.32	16.55
EBITDA ⁽³⁾	1071.42	441.19	234.02
EBITDA Margin ⁽⁴⁾	2.63	2.05	1.83
Profit After Tax for the Year ("PAT")	604.92	230.32	123.39
PAT Margin ⁽⁵⁾	1.33	1.07	0.96
ROE ^{(6)*}	17.75	8.22	4.62
ROCE ^{(4)(7)*}	8.90	8.10	9.07
Net Debt/ EBITDA ⁽⁸⁾	7.99	6.20	7.43

[#]As certified by the Statutory Auditor vide their certificate dated August 13, 2024

KPIs disclosed above has been approved by the Audit Committee of the Company in their meeting held on dated August 13, 2024

Explanation for the Key Performance Indicators

1. Gross Profit is calculated as Revenues from operations less cost of goods sold, whereas cost of goods sold is calculated as sum of opening balance of inventory for the period/year plus cost of material consumed and operating expenses during the period/year less closing balance of inventory for the period/year.
2. Gross margin is calculated as Gross Profit as a percentage of Revenue from operations
3. EBITDA means Earnings before interest, taxes, depreciation and amortisation expense, is calculated as profit before tax/ (loss) before extraordinary item for the period/year and adding back finance costs, and depreciation & amortisation expenses.
4. EBITDA Margin is calculated as EBITDA as a percentage of Total Revenue.
5. PAT Margin is calculated as profit after tax for the year as a percentage of Total Revenue.
6. Return on Equity (ROE) is calculated as profit after tax for the year/period divided by Total Equity.
7. Return on Capital Employed (ROCE) is calculated as EBIT divided by Capital Employed. Capital Employed is calculated as total assets less total liabilities less goodwill, other intangible assets, Right-of-use assets and Deferred tax assets (Net), if any, plus total borrowings (including lease liabilities) as at the end of the period/year.
8. Net Debt/ EBITDA: Net Debt is calculated as total borrowings (including lease liabilities) less cash and cash equivalents and bank balances other than cash and cash equivalents as at the end of the period/year divided by EBITDA.

Our Company shall continue to disclose the KPIs disclosed hereinabove in this section on a periodic basis, at least once in a year (or for 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 Exchanges, or until the utilization of Offer Proceeds as per the disclosure made in the section "**Objects of the Offer**" starting on page 182 of this Prospectus, whichever is later, or for such other period as may be required under the SEBI ICDR Regulations.

Comparison the Key Performance Indicators with our listed peers:

There are no like to like comparable listed companies in India that are engaged in all aspects of the business that we operate. Accordingly, it is not possible to provide an industry comparison in relation to our Company

Explanation for KPI metrics

KPI	Explanations
Revenue from Operations (₹)	Revenue from Operations is used by our management to track the revenue

inLakh)	profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
Gross Profit	Gross Profit provides information regarding operational efficiency of the business.
Gross Profit Margin (%)	Gross Profit Margin is an indicator of the operational profitability and financial performance of our business.
EBITDA (₹ in Lakh)	EBITDA provides information regarding the operational efficiency of the business.
EBITDA Margin (%)	EBITDA Margin is an indicator of the operational profitability and financial performance of our business.
Profit After Tax (₹ in Lakh)	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin is an indicator of the overall profitability and financial performance of our business.
RoE (%)	RoE provides how efficiently our Company generates profits from average shareholders' funds.
RoCE (%)	ROCE provides how efficiently our Company generates earnings from the average capital employed in the business.
Net Debt/ EBITDA (In Times)	Net Debt by EBITDA is indicator of the efficiency with which our Company is able to leverage its debt service obligation to EBITDA.

WEIGHTED AVERAGE COST OF ACQUISITION:

- a) The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities).**

There have been no issuance of Equity Shares, excluding shares issued as bonus shares, during the 18 months preceding the date of this Prospectus, 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.

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

There have been no secondary sale / acquisitions of Equity Shares or convertible securities, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Prospectus, 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.

- c) Price per share based on the last five primary or secondary transactions;**

Since there are no transactions to report to under (a) or (b) above, therefore, information based on last 5 primary or secondary transactions (secondary transactions where Promoters / Promoter Group entities or shareholder(s), not older than 3 years prior to the date of this Prospectus, irrespective of the size of transactions is not required, are not applicable.

Date of allotment	Nature of transaction	No. of Equity Shares	Cost per Equity Share	Total Cost	Cumulative amount paid for the Equity Shares	Cumulative No. of Equity Shares
Primary transactions						

Date of allotment	Nature of transaction	No. of Equity Shares	Cost per Equity Share	Total Cost	Cumulative amount paid for the Equity Shares	Cumulative No. of Equity Shares
February 19, 2022	Bonus Issue in the ratio of five (5) new equity shares for every one (1) Equity Share held on February 11, 2022 ⁽⁸⁾	38,27,500	-	-	-	38,27,500
February 17, 2024	Bonus Issue in the ratio of one (1) new equity share for every one (1) Equity Share held on February 16, 2024 ⁽¹⁰⁾	42,00,846	-	-	-	42,00,846
Total						80,28,346
Weighted average cost of acquisition (primary transactions) (₹ per Equity Share)						NIL
Secondary transactions						
May 3, 2023	Transfer of Shares from Nilesh Kumar Sharma to Chandra Shekhar Sharma	100	10.00	1,000.00	1,000.00	100
February 25, 2022	Gift from Nilesh Kumar Sharma to Madhu Sharma	5,900	-	-	1,000.00	5,900
Total					1,000.00	6,000
Weighted average cost of acquisition (secondary transactions) (₹ per Equity Share)						0.17

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

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Issue Price (₹86)
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 Draft 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	N.A*

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Issue Price (₹86)
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 a single transaction or multiple transactions combined together over a span of rolling 30 days	N.A	N.A*
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:		
a) WACA of Equity Shares based on primary issuances undertaken during the three immediately preceding years	N.A.	N.A.
b) WACA of Equity Shares based on secondary transactions undertaken during the three immediately preceding years	0.17	0.17

^As certified by M/s Dokania S. Kumar & Co., Statutory Auditors pursuant to their certificate dated August 13, 2024.
#WACA has been mentioned as NA since there have been no transactions excluding bonus issuance

7. Detailed explanation for Offer Price being ₹ 86 price of weighted average cost of acquisition of primary issuance price/secondary transaction price of Equity Shares (as set out above) along with our Company's key financial and operational metrics and financial ratios for Fiscal 2024, 2023 and 2022.

The Issue price is 8.6 times of the face value of the Equity Shares. The Issue Price of ₹86/- has been determined by our Company, in consultation with the Lead Manager and is justified in view of the above qualitative and quantitative parameters.

8. Explanation for Offer Price being ₹ 86/- price of weighted average cost of acquisition of primary issuance price/secondary transaction price of Equity Shares (as set out above) in view of the external factors which may have influenced the pricing of the Offer.

There are no external factors which have influenced the determination of Offer Price.

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 28, 204, 266 and 257 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 28 and you may lose all or part of your investment.