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passing-off by third parties and will not be able to enforce any rights against them. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our trademarks. We may also need to change our logo which may adversely affect our reputation and business and could require us to incur additional costs.

12) Risk Related to BRLM: The BRLM associated with the Issue has handled 06 public SME issues and one Main Board Issue in the past 3 financial year, out of which none of the issue closed below the Issue price on listing date.

13) Average cost of acquisition of Promoters:

Name of the Promoters	Number of Equity Shares	Weighted Average Price (₹)*
Mr. Vijay Kaushik	39,95,430	11.26
Ms. Vijay Laxmi Kaushik	42,95,763	9.65
Mr. Vibhor Kaushik	34,70,874	10.00
M/s Vijay Kaushik HUF	14,84,433	57.48

*As certified by Ashok Kumar Goyal & Co., Chartered Accountants vide certificate dated August 28, 2023 & UDIN: 23017644BGQNCD5970.

14) The Weighted average cost of acquisition for all Equity Shares acquired in

one year, 18 months and three years preceding the date of the Red Herring Prospectus is set forth below:

Period	Weighted average cost of acquisition (₹ per Equity Share)	Cap price is 'X' times the weighted average cost of acquisition (i.e. ₹ 151)	Range of acquisition price: Low-est price- highest price (In ₹)
Last one year ^	75.00	2.01 times	Nil-75.00
Eighteen Months	75.00	2.01 times	Nil-75.00
Last three years	75.00	2.01 times	Nil-75.00

^ Excludes Equity Shares transferred pursuant to transmission and gifts.

15) Weighted average cost of acquisition, floor price and cap price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor price (i.e. ₹ 141)	Cap price (i.e. ₹ 151)
Weighted average cost of acquisition of primary / new issue.	There was no Primary /new issue of shares in last 18 months prior to the date of RHP.		
Weighted average cost of acquisition for secondary sale / acquisition.	75.00*	1.88 Times	2.01 Times

*Excludes Equity Shares transferred pursuant to transmission and gifts.

BID / ISSUE PROGRAMME

ANCHOR INVESTOR*: FEBRUARY 12, 2024 (MONDAY)
OPENS ON: FEBRUARY 13, 2024 (TUESDAY)
CLOSES ON**: FEBRUARY 15, 2024 (THURSDAY)

**Our Company may, in consultation with the BRLM, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.*

***UPI mandate end time and date shall be at 5.00 pm on the Bid/ Offer Closing Date.*

Investors should read the RHP carefully, including the “Risk Factors” on page 28 of the RHP before making any investment decision.

BASIS FOR ISSUE PRICE

The Price Band and Offer Price has been determined by our Company, in consultation with the Book Running Lead Manager, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the following quantitative and qualitative factors described below. The face value of the Equity Shares is ₹ 10 each and the offer price is 14.10 times of the face value at the lower end of the Price Band and 15.10 times the face value at the higher end of the Price Band. Bidders should also refer to “Our Business”, “Risk Factors”, “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 175, 28, 248 and 331, respectively, to have an informed view before making an investment decision.

QUALITATIVE FACTORS

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

- In house designing, engineering and execution team;
- Long term agreement with the Jindal Pipes Limited;
- Strategic Location of manufacturing Units;
- Strong execution capabilities with industry experience and established track record;
- Experienced Promoters and Management Team.
- Specialised production of Pipes and Tubes.
- Good track record for the last 3 years:

QUANTITATIVE FACTORS

Some of the information presented below relating to our Company is derived from the Restated Consolidated Financial Statements. For more details on financial information; investors please refer the chapter titled “Financial Information” on page no. 248 of RHP.

Some of the quantitative factors which may form the basis for calculating the Issue Price are as follows:

1) Basic and Diluted Earnings / Loss per Share (“EPS”) as adjusted for changes in capital:

For the Fiscal	Basic & Diluted	
	EPS (in ₹)	Weights
2023	14.85	3
2022	7.99	2
2021	0.49	1
Weighted Average	10.17	
September 30, 2023*	6.01	

*not annualized

Notes:

a) The face value of each Equity Share is ₹ 10 each.

b) Basic Earnings per share = Restated total comprehensive income / Weighted average number of equity shares outstanding during the period/year.

c) Diluted Earnings per share = Restated total comprehensive income / Weighted average number of potential equity shares outstanding during the period/year.

d) 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.

e) The above statement should be read in conjunction with Significant Accounting Policies and Notes to Restated Consolidated Financial Statement of the “Financial Information” beginning on page no. 248 of RHP.

2) Price/Earning (“P/E”) ratio in relation to price band of ₹ 141 to ₹ 151 per Equity Share:

S. No.	Particulars	P/E at the lower end of the Price Band (no. of times)	P/E at the higher end of the Price Band (no. of times)
1	Based on basic EPS for Fiscal 2023	9.49	10.16
2	Based on diluted EPS for Fiscal 2023	9.49	10.16

3) Industry Peer Group P/E ratio

Particulars	P/E Ratio
Highest	64.88
Lowest	31.01
Average	45.39

Note: The industry composite has been calculated as the highest and lowest industry P/E shown above is based on the peer set provided below under “Comparison with listed industry peers”, which have been identified by our Company.

4) Return on Net worth (RoNW)

Sr. No.	For the Fiscals	RoNW (%)	Weight
1	2023	22.60	3
2	2022	15.74	2
3	2021	1.14	1
Weighted Average		16.73	
September 30, 2023		8.37	

Notes:

a) Weighted average = Aggregate of year-wise weighted Net Worth divided by the aggregate of weights i.e. [(Net Worth x Weight) for each year] / [Total of weights].

b) Return on Net Worth (%) = Total comprehensive income as restated /Net worth as restated as at period/year end.

c) “Net worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, foreign currency translation reserve, write-back of depreciation as on March 31, 2023, 2022 and 2021.

5) Net Asset Value (NAV) (Face value of ₹ 10/-)

Financial Year	NAV (₹)
NAV as at March 31, 2023	65.71
NAV as at September 30, 2023*	71.74
After the Offer:	
- At the Floor price	141
- At the Cap Price	151

*Not annualized

Notes:

a. Offer Price per Equity Share will be determined on conclusion of the Book Building Process.

b. Net asset value per share = Net worth as restated / Number of Equity Shares as at period/ year end

6) Comparison with Industry Peers

Particulars	Total income (₹ in Lakhs)	Face Value (₹)	EPS Basic (₹)	EPS Diluted (₹)	P/E Ratio ⁽²⁾	RON (%) ⁽⁴⁾	NAV Per Share (₹) ⁽⁵⁾
The Issuer Company							
Vibhor Steel Tubes Limited	1,11,437.82	10	14.85	14.85	NA	22.60	65.71
Listed peers							
APL Apollo Tubes Limited	16,21,313.00	2	23.15	23.14	64.88	21.36	108.37
Hi-Tech Pipes Limited	2,38,810.94	1	3.06	2.18	47.91	9.01	32.71
Goodluck India Limited	3,08,680.16	2	33.31	33.31	31.01	14.16	227.47
Rama Steel Tubes Limited	1,33,675.42	1	1.22	1.16	37.75	10.97	5.37

Source: Restated Consolidated Financial Statement of our Company as disclosed on page no. 248 of RHP

For further information, kindly refer “Our Business” on page no. 175 of RHP.

Notes:

1. The peer group figures based on audited Consolidated financials as on and for the year ended March 31, 2023.

2. P/E figures for the peer is computed based on closing market price as on January 24, 2024, of relevant peer companies as available at BSE, (available at www.bseindia.com) divided by Basic EPS for the period September 30, 2023 reported in the filings made with stock exchanges.

3. Based on the Offer Price to be determined on conclusion of book building process and the basic EPS of our Company

4. Return on net worth (%) = Net profit after tax * 100 / Net worth at the end of the year

5. Net Asset value per share = Net worth at the end of the year / No. of shares outstanding at the end of year.

7) Key Operational and Financial Performance Indicators:

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 peers. The KPIs disclosed below have been approved by a resolution of our Audit Committee dated January 24, 2023 and the members of the Audit Committee have verified the details of all KPIs pertaining to our 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 Statutory Auditors, by their certificate dated January 24, 2024. The certificate dated January 24, 2024 issued by Statutory Auditors has been included in “Material Contracts and Documents for Inspection-Material Documents” on page 453 of RHP. The Bidders can refer to the below mentioned KPIs, being a combination of financial & operational KPIs, to make an assessment of our Company's performance and make an informed decision.

Explanation for KPI metrics:

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
Total income	Total income is used by the management to track revenue from operations and other income.
EBITDA	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.
PAT	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.
Operating Cash Flows	Operating cash flows activities provides how efficiently our company generates cash through its core business activities.
Net Worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
Net Debt	Net debt helps the management to determine whether a company is overleveraged or has too much debt given its liquid assets
Debt-equity ratio (times)	The debt to equity ratio compares an organization's liabilities to its shareholder's equity and is used to gauge how much debt or leverage the organization is using.
ROE (%)	ROE provides how efficiently our Company generates profits from shareholders' funds.
ROCE (%)	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.

Financial KPIs of our Company: Vibhor Steel Tubes Limited:

(₹ in Lakhs)

Key Financial Performance	September 30, 2023	For the year ended March 31st		
		2022-2023	2021-2022	2020-2021
Revenue from operations ⁽¹⁾	53,051.01	1,11,311.90	81,799.60	51,046.68
Total Income ⁽²⁾	53,124.24	1,11,437.82	81,848.07	51,150.97
EBITDA ⁽³⁾	2,369.10	4,684.44	3,018.11	1,991.75
EBITDA Margin ⁽⁴⁾	4.47%	4.21%	3.69%	3.90%
PAT	852.13	2,106.62	1,133.11	68.83
PAT Margin ⁽⁵⁾	1.61%	1.89%	1.39%	0.13%
Operating cash flow	(819.78)	702.73	-3,454.93	4,542.00
Net worth ⁽⁶⁾	10,175.54	9,319.79	7,197.29	6,048.99
Net Debt ⁽⁷⁾	16,026.63	12,682.52	10,606.57	5,874.40
Debt Equity Ratio ⁽⁸⁾	1.83	1.63	1.77	1.23
ROCE (%) ⁽⁹⁾	6.97%	16.48%	12.09%	9.90%
ROE (%) ⁽¹⁰⁾	8.37%	25.51%	17.11%	1.14%

1) Revenue from operation means revenue from sales and other operating revenues.

2) Total Income represents the total turnover of our business i.e., Revenue from Operations and Other Income, if any.

3) EBITDA means Profit before depreciation, finance cost, tax and amortization.

4) 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations.

5) 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.

6) Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and

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