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#### BASIS FOR ISSUE PRICE

The Price Band and Issue Price will be determined by our Company, in consultation with the BRLM, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the quantitative and qualitative factors described below. The face value of the Equity Shares is ₹ 10 each and the Issue Price is 27.5 times the face value at the lower end of the Price Band and 29.0 times the face value at the higher end of the Price Band.

Investors should also refer to "Our Business", "Risk Factors", "Restated Financial Information" and "Management Discussion and Analysis of Financial Position and Results of Operations" on pages 189, 36, 268 and 408, respectively, to have an informed view before making an investment decision.

#### Qualitative factors

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

- Innovation and technological development undertaken by the Company for building Automatic Train Protection Systems
- Entered into an exclusive Memorandum of Understanding with RailTel for delivering the specific targeted opportunities related to KAVACH in Indian Railways and other Countries Railways
- We have in-house design and product development capabilities powering our Rail Signalling Products & Solutions.
- Unique technology for the manufacture of cables that meets the stringent requirements for multiple industries, namely Railways, Naval Defence, Renewable Energy & Electric Vehicle sectors
- Advanced manufacturing facilities with a diverse range of power and control cables with focus on innovation and cost competitiveness
- Global emergence of market for Specialty cables in renewable energy and electric vehicles and supply of such Specialty cables to OEMs with high global market penetration
- Experienced Promoters and senior management team

For further details, see "Our Business - Our Strengths" on page 196 of the Red Herring Prospectus.

#### Quantitative factors

Certain information presented below, relating to us, is based on the Restated Financial Information. For details, see "Restated Financial Information" on page 268 of the Red Herring Prospectus.

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

#### 1. Basic and diluted earnings per share ("EPS")

Fiscal / Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2024	4.90	4.90	3
March 31, 2023	4.61	4.61	2
March 31, 2022	0.63	0.63	1
Weighted Average	4.09	4.09	
For the six months period ended September 30, 2024 <sup>1</sup>	(4.02)	(4.02)	

<sup>1</sup>Not annualized

(1) Earnings per Equity Share (Basic) = Restated profit for the period / year attributable to the equity holders of our Company / Weighted average number of equity shares outstanding during the period / year. The weighted average number of Equity Shares outstanding during the year is adjusted for bonus issue.

(2) Earnings per Equity Share (Diluted) = Restated profit for the period / year attributable to equity holders of our Company / Weighted average number of equity shares outstanding during the period / year considered for deriving basic earnings per share and the weighted average number of Equity Shares which could have been issued for potential dilution of Equity Shares. The weighted average number of Equity Shares outstanding during the year is adjusted for bonus issue.

(3) Basic EPS and Diluted EPS calculations are in accordance with Indian Accounting Standard 33 Earnings per Share.

(4) Pursuant to the Shareholders resolution passed at the EGM held on March 01, 2024, our Company has issued bonus shares in the ratio of two Equity Shares for every one existing Equity Share held in the meeting of the Board of Directors held on April 15, 2024. Accordingly, the earnings per Equity Share has been adjusted for the aforementioned bonus issue.

#### 2. Price / Earning ("P/E") ratio in relation to Price Band of ₹ 275 to ₹ 290 per Equity Share of face value of ₹ 10 each:

Particulars	PIE at the lower end of the Price Band	PIE at the upper end of the Price Band
Based on Basic EPS as per Restated Financial Information for year ended March 31, 2024	56.12	59.18
Based on Diluted EPS as per Restated Financial Information for year ended March 31, 2024	56.12	59.18

#### 3. Industry P/E ratio

Particulars	P/E Ratio
Highest	64.85
Lowest	49.11
Average	56.98

Notes:

(1) Weighted average return on net worth for the last three Financial Years is 34.41% based on restated financial information

#### 4. Average Return on Net Worth

Fiscal / Period	Return on Net Worth (%)	Weight
March 31, 2024	33.41%	3
March 31, 2023	47.03%	2
March 31, 2022	12.17%	1
Weighted Average	34.41%	
For the six months period ended September 30, 2024 <sup>1</sup>	(37.45%)	

<sup>1</sup>Non annualized.

(1) Return on Net Worth (%) = Restated net profit / (loss) after tax attributable to equity shareholders of our Company / restated net worth for Equity Shareholders of our Company.

(2) Net Worth is computed as the sum of the aggregate of paid up equity share capital and all reserves created out of the profits, securities premium account and debt or credit balance of profit and loss account.

(3) The weighted average return on net worth is a product of return on net worth and respective assigned weight dividing the resultant by total aggregate weight. Weights applied have been determined by the management of our Company.

(4) The figures disclosed above are derived from the Restated Financial Information of our Company.

#### 5. Net Asset Value per Equity Share of face value of ₹ 10 each

Particulars	(in ₹)
Net Asset value Per Equity Share	
As at September 30, 2024	11.39
As at March 31, 2024	14.70
After the Issue	
- At the Floor Price	79.95
- At the Cap Price	81.04
- At the Issue Price	■

Notes:

(1) Net Asset Value per Equity Share is calculated as net worth attributable to equity shareholders as at the end of Fiscal period / year divided by the weighted average number of Equity Shares used in calculating basic earnings per share. "Net Worth attributable to the owners of our Company" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debt or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the Restated Financial Information, but does not include reserves created out of revaluation of assets, capital reserve, write-back of depreciation and amortisation as per the SEBI / ICDR Regulations as at September 30, 2024, March 31, 2023 and March 31, 2022. Further, the calculation of Net Asset Value per Equity Share has been adjusted retrospectively for the increase in the number of Equity Shares as a result of bonus issue.

(2) Net Worth calculation excludes adjustment for IPO expenses and prepaid expenses.

#### 6. Comparison with Listed Industry Peers

There are no listed companies that exclusively undertake the manufacturing of Specialty cables and also Train Controls and Signalling business. Hence, basis factors such as the scale of the business, exposure to the railways and defence sector (as defence constitutes a significant portion of revenue from operations for our Company for the financial year ended March 31, 2024) and also solution on Automatic Train Control systems of Indian Railways, a proxy set of listed peers of Kernex Micro Systems Limited, HBL Power Systems Limited, Apar Industries Limited and Polycab India Limited (the "Industry Peers") have been identified for our Company. The said comparison shall be limited to the business activities which are being undertaken by the Industry Peer and may not reflect the fair comparison of valuation.

Name of the Company	Face Value (₹)	Share Price (₹)	Revenue from operations (₹ in million)	EPS (Basic) (₹)	EPS (Diluted) (₹)	PIE	Return on Net Worth (%)	Net worth (₹ in million)	Net Asset Value per Equity Share (₹)	EV / EBITDA (FY 2024)	Market Cap / Total Assets (FY 2024)	Market Cap / Tangible Assets (FY 2024)
Quadrant Future Tek Limited <sup>1</sup>	10	290.00	1,518.23	4.9	4.9	59.18	33.31	441.13	14.7	33.84	7.64	12.86
Listed Peers **												
Kernex Micro Systems Limited	10	1,385.80	195.98	-16.61	-16.61	NA	-24.16%	1,066.12	63.61	-123.91	11.10	1.49
HBL Power Systems Limited	1	671.4	22,333.55	10.07	10.07	61.59	22.87%	12,205.41	44.03	41.77	8.27	11.25
Apar Industries Limited	10	9,995.15	1,61,529.80	212.1	212.1	49.11	20.80%	38,764.40	965.01	24.81	2.47	4.20
Polycab India Limited	10	7,450.05	1,80,394.44	118.93	118.93	64.85	21.90%	81,871.34	544.95	40.52	6.14	9.35

<sup>1</sup> Financial Information of the Company has been derived from Restated Financial Information as at or for the financial year ended March 31, 2024.

\*\* Sources for listed peers information included above (Annual Reports available on website of Stock Exchanges for BSE www.bseindia.com and for NSE www.nseindia.com)

# At Cap Price

Notes:

1. Net Asset Value per Equity Share is calculated as net worth attributable to equity shareholders as at the end of Fiscal period / year divided by the weighted average number of Equity Shares used in calculating basic earnings per share.

2. All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the annual reports / annual results as available of the respective company for the year ended March 31, 2024 submitted to Stock Exchanges.

3. P/E Ratio has been computed based on the closing market price of equity shares on NSE on December 03, 2024 divided by the Diluted EPS for the year ended March 31, 2024.

4. Return on Net Worth is computed as net profit / (loss) after tax attributable to equity holders of our Company divided by Net Worth for Equity Shareholders of our Company. Set forth below is a comparison of our KPIs with our peer group companies listed in India.

#### 7. Key Performance Indicators

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for Issue Price. The key financial and operational metrics set forth above, have been approved and verified by the Audit Committee pursuant to its resolution dated December 27, 2024. Further, the Audit Committee has on December 27, 2024 taken on record that other than the key financial and operational metrics set out below, our Company has not disclosed any other key performance indicators during the three years preceding the Red Herring Prospectus with its investors. The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help it in analyzing the growth of various verticals in comparison to our Company's listed peers, and other relevant and material KPIs of the business of our Company that have a bearing for arriving at the Basis for the Issue Price have been disclosed below. Additionally, the KPIs have been certified by way of certificate dated December 27, 2024 issued by Billimoria Mehta & Co., Independent Chartered Accountants, who hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India and the same has been included in "Material Contracts and Documents for Inspection - Material Documents" on page 498.

The Bidders can refer to the below-mentioned KPIs, being a combination of financial and operational KPIs, to make an assessment of our Company's performances and make an informed decision.

A list of our KPIs for six months period ended September 30, 2024 and Fiscal 2024, 2023 and 2022 is set out below:

Particulars	Six months period ended September 30, 2024	As at / for the financial year ended			
		March 31, 2024	March 31, 2023	March 31, 2022	
Revenue from operations	651.37	1,517.56	1,528.04	1,042.58	
Total revenue	651.35	1,518.23	1,529.45	1,042.91	
EBITDA	8.17	366.68	265.49	95.08	
EBITDA margin (%)	1.26%	24.15%	17.36%	9.12%	
Operating EBITDA	8.19	366.00	264.08	94.75	
Operating EBITDA (%)	1.26%	24.11%	17.28%	9.09%	
Profit after tax (after other comprehensive income)	(120.05)	146.92	138.16	18.94	
PAT margin (%)	(18.50%)	9.68%	(9.50%)	1.82%	
Return on Equity (ROE)(%)	(37.45%)	33.41%	47.03%	12.17%	
Debt to Equity Ratio	3.05	1.86	2.52	5.19	
Debt Service Coverage Ratio	0.10	3.66	4.16	1.60	
Return on Capital Employed (ROCE)(%)	(10.34%)	26.12%	27.20%	8.43%	
Current Ratio	1.00	1.18	1.19	1.45	
Net Capital Turnover Ratio	14.37	18.32	11.85	8.29	

a) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.

- b) EBITDA refers to earnings before interest, taxes, depreciation, amortisation, gain or loss from discontinued operations & exceptional items.
- c) EBITDA Margin refers to EBITDA during a given period as a percentage of revenue from operations during that period.
- d) Operating EBITDA refers to EBITDA less other income i.e. only revenue from operations.
- e) Operating EBITDA Margin refers to operating EBITDA during a given period as a percentage of revenue from operations during that period.
- f) Net Profit Ratio Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes and other comprehensive income by our revenue from operations.
- g) Return on equity (RoE) is equal to profit after tax for the year divided by the total equity during that period and is expressed as a percentage.
- h) Debt to equity ratio is calculated by dividing the debt (excluding lease liabilities) by total equity (which includes issued capital and all other equity reserves).
- i) The Interest Coverage Ratio measures our ability to make interest payments from available earnings and is calculated by dividing EBITDA by interest and lease payments & principal repayment due in twelve months.
- j) RoCE (Return on Capital Employed) (%) is calculated as EBIT divided by total equity plus non-current debt plus current outstanding of non-current debt.
- k) Current Ratio is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities.
- l) Net Capital Turnover Ratio quantifies our effectiveness in utilizing our working capital and is calculated by dividing our revenue from operations by average working capital (i.e., current assets less current liabilities).

#### 8. Explanation for KPI metrics

KPI	Explanations
Revenue from Operations (₹ million)	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 Revenue	Total Revenue is used to track the total revenue generated by the business including other income.
EBITDA (₹ million)	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 (₹ million)	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 shareholders' funds.
Debt To Equity Ratio	Debt-to-equity (D/E) ratio is used to evaluate a company's financial leverage.
Interest Coverage Ratio	The interest coverage ratio is a debt and profitability ratio used to determine how easily a company can pay interest on its outstanding debt.
Return on Capital employed (RoCE) (%)	It is calculated as profit before tax plus finance costs divided by total equity plus non-current borrowings plus current borrowings.
Current Ratio	It tells management how business can maximize the current assets on its balance sheet to satisfy its current debt and other payables.
Net Capital Turnover Ratio	This metric enables us to track how the effectively company is utilizing its working capital to generate revenue.

The above KPIs for our Company have also been disclosed, along with other key financial and operating metrics, in "Our Business" and "Management Discussion and Analysis of Financial Condition and Results of Operations" on pages 189 and 408. All such KPIs have been defined consistently and precisely in "Definitions and Abbreviations - Conventional and General Terms and Abbreviations" on page 1.

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, or until the utilization of Issue Proceeds, whichever is later, on the Stock Exchanges pursuant to the issue, or for such other period as may be required under the SEBI / ICDR Regulations.

Comparison of financial KPIs of our Company and our listed peers

KPIs	Kernex Micro Systems Limited				HBL Engineering Limited			
	Six months period ended September 30, 2024 <sup>1</sup>	Fiscal 2024	Fiscal 2023	Fiscal 2022	Six months period ended September 30, 2024 <sup>1</sup>	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from operations <sup>1)</sup>	698.96	195.98	40.39	66.51	10,410.69	22,333.56	13,686.78	12,362.10
Growth in revenue from operations (%) <sup>2)</sup>	NA	385.15%	(39.27%)	(63.52%)	NA	63.18%	10.72%	35.54%
Gross Profit <sup>3)</sup>	336.28	67.02	12.18	30.17	5,235.78	10,836.25	5,559.72	4,830.89
Gross Profit Margin (%) <sup>4)</sup>	48.11%	34.20%	30.14%	45.36%	50.29%	48.52%	39.16%	39.08%
EBITDA <sup>5)</sup>	156.01	(194.51)	(163.35)	(77.03)	2367.18	4413.69	1691.21	1533.54
EBITDA (%) <sup>6)</sup>	22.32%	(99.25%)	(404.38%)	(115.61%)	22.74%	19.76%	12.36%	12.41%
PAT <sup>7)</sup>	103.63	(257.53)	(198.40)	(104.63)	1,661.62	2,791.13	971.68	929.21
PAT Margin (%) <sup>8)</sup>	14.85%	(131.41%)	(486.17%)	(247.51%)	15.86%	12.50%	7.10%	7.52%
ROE (%) <sup>9)</sup>	9.29%	(27.29%)	(30.13%)	(29.69%)	12.81%	25.70%	10.69%	11.26%
ROCE (%) <sup>10)</sup>	12.23%	(22.62%)	(22.60%)	(18.79%)	15.47%	31.75%	13.36%	13.19%

(in ₹ millions)

KPIs	Apar Industries Limited				Polycab India Limited			
	Six months period ended September 30, 2024 <sup>1</sup>	Fiscal 2024	Fiscal 2023	Fiscal 2022	Six months period ended September 30, 2024 <sup>1</sup>	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from operations <sup>1)</sup>	86,550.20	1,61,529.80	1,43,521.50	93,199.80	1,01,964.53	1,80,394.44	1,41,077.78	1,22,037.61
Growth in revenue from operations (%) <sup>2)</sup>	NA	12.55%	53.99%	45.90%	NA	27.87%	15.60%	38.80%
Gross Profit <sup>3)</sup>	17,663.70	33,307.50	36,434.00	21,121.70	30,443.26	52,334.90	37,320.35	28,495.57
Gross Profit Margin (%) <sup>4)</sup>	20.41%	20.62%	25.39%	22.66%	29.86%	29.01%	26.45%	23.35%
EBITDA <sup>5)</sup>	7811.60	16,087.40	12,644.20	5803.40	13,495.02	27,126.80	19,854.40	13,551.22
EBITDA (%) <sup>6)</sup>	9%	10%	9%	6%	13%	15%	14%	11%
PAT <sup>7)</sup>	4,348.10	8,061.40	5,785.30	3,520.70	8,367.91	17,926.68	12,864.55	9,172.85
PAT Margin (%) <sup>8)</sup>	5.02%	4.99%	4.03%	3.78%	8.21%	9.94%	9.12%	7.52%
ROE (%) <sup>9)</sup>	10.89%	26.38%	29.28%	22.61%	9.97%	24.20%	21.13%	17.82%
ROCE (%) <sup>10)</sup>	16.08%	34.87%	47.47%	24.52%	14.03%	30.04%	26.76%	20.78%

<sup>1</sup> Being financial ratios for six months period ended September 30, 2024, the same are not comparable.

Notes:

- Revenue from Operations means the revenue from operations as appearing in the Restated Financial Information.
- Growth in revenue from operations (%) is calculated as a percentage of revenue from operations of the relevant period / year minus revenue from operations of the preceding period / year, divided by revenue from operations of the preceding period / year.
- Gross Profit is calculated as revenue from operations less cost of materials consumed, changes in inventories of finished goods and work-in-progress.
- Gross Profit Margin refers to the percentage margin derived by dividing Gross Profit by Revenue from Operations.
- EBITDA is calculated as restated profit / (loss) for the period / year before exceptional items, plus finance costs, total taxes, and depreciation and amortization expense.
- EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations.
- Profit after Tax means restated profit / (loss) for the year as appearing in the Restated Financial Information.
- Profit after Tax Margin refers to the percentage margin derived by dividing Profit after Tax by Revenue from Operations.
- Return on equity (RoE) is equal to profit after tax for the year divided by the total equity during that period and is expressed as a percentage.
- Return on Capital Employed is calculated as earnings before interest and taxes divided by Capital Employed.
  - Earnings before interest and tax is calculated as restated profit / (loss) for the period / year plus total tax expense / (credit) plus finance costs.
  - Capital Employed is calculated as total equity plus borrowings (current & non current).

#### Weighted average cost of acquisition

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

Except for issue and allotment of Equity Share as bonus on April 15, 2024 to the existing shareholders, which do not have any impact on the percentage holding of the shareholders since issued on proportionate basis, our Company has not issued any primary / new shares (equity / convertible securities) during the 18 (eighteen) months preceding the date of the Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid up share capital of our 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.

#### The price per share of our Company based on secondary sale / acquisitions of shares (equity / convertible securities)

Sr. No.	Name of the Transferee / Acquirer	Name of the Transferor / Seller	Details of Transferor (Promoter / Promoter Group)	Date of transaction	No. of equity shares of face value ₹ 10 each	Price per equity share (in ₹)	Transaction as a % age of Pre issue paid up share capital
1	Vivek Abrol	Mohan Krishan Abrol	Yes	September 12, 2024	4,00,000	Nil *	1.33%
2	Suryavanshi Commodore Private Limited	Rupinder Singh	Yes	October 25, 2024	2,81,250	240.00	0.94%
3	Suryavanshi Commodore Private Limited	Mohit Vohra	Yes	October 25, 2024	2,50,000	240.00	0.83%
4	Suryavanshi Commodore Private Limited	Amit Dhawan	Yes	October 25, 2024	2,33,334	240.00	0.78%
5	Capri Global Holdings Private Limited	Rajbir Singh Randhawa	Yes	October 25, 2024	1,60,000	240.00	0.53%
6	Capri Global Holdings Private Limited	Swinder Kaur	Yes	October 25, 2024	1,50,000	240.00	0.50%
7	Capri Global Holdings Private Limited	Amrit Singh Randhawa	Yes	October 25, 2024	1,15,000	240.00	0.38%
8	Plantly Capital Limited	Parminder Kaur	Yes	October 25, 2024	1,25,000	240.00	0.42%
9	Aditi Gupta	Navneet Kaur	Yes	October 25, 2024	30,000	240.00	0.10%
10	Amar Amanabadpur Maurya	Amit Dhawan	Yes	October 25, 2024	6,250	240.00	0.02%
11	Anupam Agarwal	Amit Dhawan	Yes	October 25, 2024	10,416	240.00	0.03%
12	Bhavini Hemang Shah (Mayevra Partners)	Rupinder Singh	Yes	October 25, 2024	6,250	240.00	0.02%
13	Devarash Ajit Vajani (Samesh Trimly Partners)	Rupinder Singh	Yes	October 25, 2024	12,500	240.00	0.04%
14	Dhara Ramesh Gandhi	Swinder Kaur	Yes	October 25, 2024	10,000	240.00	0.03%
15	Hitesh Sukhlal Jain	Navneet Kaur	Yes	October 25, 2024	35,000	240.00	0.12%
16	Hitesh Sukhlal Jain	Parminder Kaur	Yes	October 25, 2024	15,000	240.00	0.05%
17	Hitesh Sukhlal Jain	Vivek Abrol	Yes	October 25, 2024	10,000	240.00	0.03%
18	Manish Purushottam Maheshwari	Parminder Kaur	Yes	October 25, 2024	60,000	240.00	0.20%
19	Neeru Gambhir	Vishesh Abrol	Yes	October 25, 2024	10,000	240.00	0.03%
20	Palash Shivshankar Kawale	Vishesh Abrol	Yes	October 25, 2024	11,700	240.00	0.04%
21	Pooja Ankit Gandhi	Vivek Abrol	Yes	October 25, 2024	10,000	240.00	0.03%
22	Sangeeta Singh	Mohan Krishan Abrol	Yes	October 25, 2024	1,43,690	240.00	0.48%
23	Sangeeta Singh	Vishesh Abrol	Yes	October 25, 2024	1,24,845	240.00	0.42%
24	R P Singh	Vivek Abrol	Yes	October 25, 2024	1,61,485	240.00	0.54%
25	R P Singh	Vipin Abrol	Yes	October 25, 2024	19,980	240.00	0.07%
26	Seema Rajkumar Jha	Vishesh Abrol	Yes	October 25, 2024	8,300	240.00	0.03%