

...continued from previous page.

- Competition risk:** As an integrated business services company providing a wide range of business services including integrated facility management services, private security and manned guarding and staffing solutions, we compete with a range of organized and unorganized competitors, depending on the nature and location of services provided. We expect that the level of competition will remain high, which could directly impact the size of our workforce and availability of cost-effective labour options, and therefore potentially limit our ability to maintain or increase our market share or profitability.
- Proceeds from Offer for sale:** The Offer includes an offer for sale of Equity Shares by the Promoter Selling Shareholder. The entire proceeds from the Offer for Sale will be paid to the Promoter Selling Shareholder, and we will not receive any such proceeds from the Offer for Sale.
- The Offer Price of our Equity Shares, our market capitalization to revenue from operations for FY 2023 and our price-to-earnings (P/E) ratio at Offer Price may not be indicative of the market price of our Equity Shares after the Offer.

Particulars	In Multiples, unless otherwise specified	
	Cap Price	Floor Price
Market Capitalisation to Revenue from Operations <sup>1</sup>	1.16	1.11
P/E Ratio	21.45	20.40
Average P/E ratio of the Industry Peers <sup>2</sup>	39.01 times	

Note:

- The Market Capitalization to Revenue from Operations ratio is a financial metric that compares a company's market value to its revenue. It is calculated by dividing the market capitalization by the revenue from operations. Market Capitalization has been computed as the product of number of shares outstanding as on the date of RHP with Floor price or Cap Price, as applicable. Revenue from Operations are for the financial year ended March 31, 2023.
- The average Price-to-Earnings (P/E) ratio of industry peers is calculated by adding up their P/E ratios and dividing by the number of companies in the calculation
- Average cost of acquisition** of the Krystal Family Holdings Private Limited, Promoter Selling Shareholder in IPO is ₹30. (As certified by T R Chadha & Co LLP, the Statutory Auditors pursuant to their certificate dated March 04, 2024)
- Handled Issue Data:** The BRLM associated with the Issue has handled 1 Main board public Issue in the past three years and it was not closed below the issue price on the listing date.
- Weighted Average Return on Networth** for Fiscals 2021, 2022 and 2023 is 19.17% and for the six months ended September 30, 2023 is 11.21% (Not Annualised).

- The weighted average price for all Equity Shares acquired by the Promoters, members of the Promoter Group, the Promoter Selling Shareholder and other shareholders with rights to nominate Directors or any other rights in the last one year, 18 months and three years preceding the date of this Red Herring Prospectus is as set out below:

Period	Weighted Average Cost of Acquisition <sup>A</sup> (in ₹)	Cap Price is 'X' times The Weighted Average Cost of Acquisition <sup>A</sup>	Range of acquisition price: Lowest price - Highest price (in ₹) <sup>A</sup>
Last one year	Negligible	N.A.	0-10
Last 18 months	Negligible	N.A.	0-10
Last three years	Negligible	N.A.	0-10

# Not Applicable since the denominator is negligible

<sup>A</sup>As certified by Maheshwari & Co., Independent Chartered Accountant pursuant to their certificate dated March 09, 2024

20. Weighted Average Cost of Acquisition, Floor Price and Cap Price

Period	WACA (in ₹)	Floor Price (₹ 680)	Cap Price (₹ 715)
a) Weighted Average cost of acquisition of primary / new issue 18 months prior to RHP	N.A. <sup>^</sup>	N.A. <sup>^</sup>	N.A. <sup>^</sup>
b) Weighted Average cost of acquisition for secondary sale / acquisitions 18 months prior to RHP	N.A. <sup>^^</sup>	N.A. <sup>^^</sup>	N.A. <sup>^^</sup>
c) WACA of Equity Shares based on primary issuances undertaken during the three immediately preceding years*	N.A. <sup>#</sup>	N.A.	N.A.
d) WACA of Equity Shares based on secondary transactions undertaken during the three immediately preceding years*	10	68.00 times	71.50 times

<sup>^</sup>There were no primary / new issue of shares (equity/convertible securities) transactions, other than equity shares issued pursuant to a Bonus Issue on September 26, 2023, in last 18 months prior to the date of the RHP.

<sup>^^</sup>There were no secondary sale / acquisitions of shares equity equity/ convertible securities) transactions in last 18 months prior to the date of the RHP

# WACA has been mentioned as NA since there have been no transactions excluding bonus issuance

\*Since there are no such transactions to report to under (a) and (b) 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 the RHP

**ANCHOR INVESTOR BIDDING DATE : WEDNESDAY, MARCH 13, 2024\***

**BID/ OFFER PROGRAMME**

**BID/OFFER OPENS ON : THURSDAY, MARCH 14, 2024\***

**BID/OFFER CLOSES ON : MONDAY, MARCH 18, 2024\*\*#**

\*Our Company and the Promoter Selling Shareholder may, in consultation with the Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.

\*\*Our Company and the Promoter Selling Shareholder may, in consultation with the Lead Manager, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

#UPI mandate end time and date shall be at 5:00 pm on Bid/Offer Closing Date.

**BASIS FOR OFFER PRICE**

The Price Band and Offer Price will be determined by our Company and the Promoter Selling Shareholder in consultation with the 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 qualitative and quantitative factors. The face value of the Equity Shares is ₹10 each and the face value is 68 times the Floor Price and 71.50 times the Cap Price of the Price Band. Investors should also refer to "Risk Factors", "Our Business", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 34, 197, 266 and 274, of the RHP, respectively, to have an informed view before making an investment decision.

**Qualitative Factors :** Some of the qualitative factors which form the basis for computing the Offer Price are set out below: • Comprehensive range of service offerings providing one-stop solution to customers; • Focused business model which is well-positioned to capture favourable industry dynamics; • Longstanding relationship with customers across diverse sectors, with recurring business; • Wide geographic presence with large and efficient workforce, coupled with strong recruitment and training capabilities; • Historical track-record of strong financial performance, with a scalable, agile business model, with revenue from operations amounting to ₹ 4,712.89 million, ₹ 5,526.76 million, ₹ 7,076.36 million and ₹ 4,516.08 million in Fiscals 2021, 2022 and 2023 and six months ended September 30, 2023, respectively, and total profit for the year (after tax) amounting to ₹ 168.24 million, ₹ 262.74 million, ₹ 384.44 million and ₹ 205.85 million in Fiscals 2021, 2022 and 2023 and six months ended September 30, 2023, respectively. For further details, please see "Our Business—Our Competitive Strengths" on page 200 of the RHP.

**Quantitative Factors :** Some of the information presented in this section is derived from our Restated Consolidated Financial Information. For details, see "Financial Statements" on page 266 of the RHP.

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"):**

Financial Year / Period	Basic EPS (₹)	Diluted EPS (₹)	Weight
Six month period ended September 30, 2023*	17.84	17.84	-
March 31, 2023	33.33	33.33	3
March 31, 2022	22.69	22.69	2
March 31, 2021	14.45	14.45	1
<b>Weighted Average</b>	<b>26.64</b>	<b>26.64</b>	

For notes investor should read "Notes for Basic and Diluted Earnings per Share - Basis of Offer price" on page 122 of the RHP.

**2. Price/Earning ("P/E") ratio in relation to the Price Band of ₹ 680 to ₹ 715 per Equity Share:**

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on basic EPS for Fiscal 2023	20.40	21.45
Based on diluted EPS for Fiscal 2023	20.40	21.45

**3. Industry Peer P/E ratio**

Particulars	Industry Peer P/E	Name of the company	Face value of the equity shares (₹)
Highest	64.65	Updater Services Limited	10
Lowest	18.97	SIS Limited	5
Average	39.00	-	-

Notes:

The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, see "Basis for Offer Price - Comparison with listed industry peers" on page 123 of the RHP.

**4. Industry Peer P/B ratio**

Particulars	Industry Peer P/B	Name of the company	Face value of the equity shares (₹)
Highest	5.87	Updater Services Limited	10
Lowest	2.82	SIS Limited	5
Average	3.86	-	-

Notes:

The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/B of the industry peer set disclosed in this section. For further details, see "Basis for Offer Price - Comparison with listed industry peers" on page 123.

**5. Return on Net Worth ("RoNW"):**

Financial Year/Period ended	RoNW (%)	Weight
Six month period ended September 30, 2023*	11.21	-
March 31, 2023	23.53	3
March 31, 2022	16.04	2
March 31, 2021	12.36	1
<b>Weighted Average</b>	<b>19.17</b>	

Notes:

\*Not Annualised

1. RoNW is calculated as restated profit for the year attributable to equity holders of the parent divided by net worth.

2. Net worth (total equity) means the aggregate of paid-up equity share capital and other equity attributable to equity shareholders of the parent (excluding non-controlling interest).

**6. Net Asset Value per Equity Share:**

Financial Year/ Period ended	Net Asset Value per Equity Share (₹)
As of March 31, 2021	118.08
As of March 31, 2022	142.18
As of March 31, 2023	141.80
As on September 30, 2023	159.39
After the Offer	At Floor Price: 240.05
	At Cap Price: 242.21
	At Offer Price: [●]

Notes:

1. Net Asset Value per Equity Share represents net worth attributable to the owners of our Company divided by weighted average number of Equity Shares outstanding at the end of the period/year.

2. Net worth (total equity) means the aggregate of paid-up equity share capital and other equity attributable to equity shareholders of the parent (excluding non-controlling interest).

**7. Comparison with listed industry peers**

Following is the comparison with our peer companies listed in India and in the same line of business as our Company:

Name of the company	Total Income (₹ in million)	Face Value (₹)	P/E <sup>(i)</sup>	P/B <sup>(ii)</sup>	EPS (Basic) (₹) <sup>(iii)</sup>	EPS (Diluted) (₹) <sup>(iii)</sup>	RoNW (%) <sup>(iv)</sup>	NAV per equity share (₹) <sup>(v)</sup>
Krystal Integrated Services Limited*	7,109.65	10	NA	NA	33.33	33.33	23.53%	141.80
<b>Listed Peers</b>								
Quess Corp Limited	1,71,583.87	10	33.40	2.90	15.16	15.04	8.74%	173.43
SIS Limited	1,13,457.80	5	18.97	2.82	23.64	23.43	14.85%	159.23
Updater Services Limited	20,988.87	10	64.65	5.87	6.77	6.70	9.4	71.93

\*Financial information for our Company is derived from the Restated Consolidated Financial Information for the year ended March 31, 2023.

For notes investors should read "Notes for Comparison with listed industry peers - Basis of Offer price" on page 124 of the RHP.

**8. Key Performance Indicators**

The table below sets forth the details of certain key performance indicators ("KPIs") that our Company considers have a bearing for arriving at the basis for Offer Price. All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated March 04, 2024. The Audit Committee has further confirmed that the KPIs pertaining to the Company that have been disclosed to earlier investors at any point of time during the three years period prior to the date of filing of the Red Herring Prospectus have been disclosed in this section. The KPIs disclosed below have been certified by Maheshwari & Co., Chartered Accountants, pursuant to certificate dated March 04, 2024.

(Amount in ₹ millions, except EPS and percentages)

Sr. No.	Particulars	For the six month period ended September 30, 2023	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022	Financial Year ended March 31, 2021
1.	Revenue from operations <sup>(1)</sup>	4,516.08	7,076.36	5,526.76	4,712.89
2.	Revenue CAGR <sup>(2)</sup> (%)	N.A.		22.54%	
3.	EBITDA <sup>(3)</sup>	309.96	545.09	454.57	301.05
4.	EBITDA Margin <sup>(4)</sup> (%)	6.86%	7.70%	8.22%	6.39%
5.	EBITDA CAGR <sup>(5)</sup> (%)	N.A.		34.56%	
6.	PAT <sup>(6)</sup>	205.85	384.44	262.74	168.24
7.	PAT (%) of Total Revenue <sup>(7)</sup>	4.56%	5.43%	4.75%	3.57%
8.	PAT CAGR <sup>(8)</sup> (%)	N.A.		51.17%	
9.	Earnings Per Share (Basic) <sup>(9)</sup>	17.84	33.33	22.69	14.45
10.	Earnings Per Share (Diluted) <sup>(10)</sup>	17.84	33.33	22.69	14.45
11.	Debt Equity Ratio <sup>(11)</sup>	0.58	0.31	0.45	0.50
12.	Net Debt <sup>(12)</sup>	692.70	1.25	384.91	404.54
13.	Net Debt to EBITDA <sup>(13)</sup>	2.23	0.002	0.85	1.34
14.	Net Asset Value per share <sup>(14)</sup>	159.39	141.80	142.18	118.08
15.	Net Worth <sup>(15)</sup>	1,836.84	1,634.12	1,638.55	1,360.75
16.	Return on Net worth <sup>(16)</sup>	11.21%	23.53%	16.04%	12.37%
17.	Return on Capital Employed <sup>(17)</sup>	16.97%	28.82%	25.03%	19.01%

\*All the KPIs disclosed above have been approved by a resolution of the Audit Committee of the Company dated March 04, 2024

\*\*The Audit Committee has confirmed the list of all the KPIs pertaining to the Company that have been disclosed to earlier investors at any point of time during the three years period prior to the date of the Red Herring Prospectus.

\*\*\*All the above metrics have been reviewed by the Company's chief operating decision makers (which includes the Managing Director and CFO, and other members of the Board) of the Company.

For notes investor should read "Notes for Key Performance Indicators - Basis of Offer price" on page 125 of the RHP.

For details of other operating metrics disclosed elsewhere in this Red Herring Prospectus, see "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 197 and 274, respectively.

**9. Description on the historic use of the KPIs by our Company to analyze, track or monitor the operational and/or financial performance of our Company:**

S. No	Key Performance Indicator	Definition of KPI	Agreed upon procedure	Explanation
1.	Revenue from operations	Revenue from operations means the income generated by an entity from its daily core business operations.	"Compared against the" Revenue from Operations" appearing in the restated Financial Statements for the six months period ended September 30, 2023 and financial year ended March 31, 2021, March 31, 2022 and March 31, 2023"	Used to track the revenue profile of the business and in turn helps us assess the overall financial performance of our Company and size of our business
2.	Revenue CAGR (%)	Revenue CAGR means the compound annual three year growth rate in Revenue during the Term	Relied on the working provided by the management as on, March 31, 2021, March 31, 2022 and March 31, 2023 from the management	Used to track the annualised growth rate of our revenue over a specific period, and is a measure of growth in business
3.	EBITDA	EBITDA represents a company's revenue after subtracting the non-operational expenses, such as capital assets, interests and taxes & Depreciation.	"Compared against the" EBITDA appearing in the restated Financial Statements for the six months period ended September 30, 2023 and financial year ended March 31, 2021, March 31, 2022 and March 31, 2023"	Used to track the operating performance of our Company
4.	EBITDA Margin (%)	EBITDA margin is a profitability ratio that measures how much in earnings a company is generating before interest, taxes, depreciation, and amortization, as a percentage of revenue.	Relied on the working provided by the management as on September 30, 2023, March 31, 2021, March 31, 2022 and March 31, 2023 from the management	Used to track operating efficiency and profitability of our Company
5.	EBITDA CAGR (%)	EBITDA CAGR means the compound annual three year growth rate in EBITDA during the Term	Relied on the working provided by the management as on March 31, 2021, March 31, 2022 and March 31, 2023 from the management	Used to track the annualised growth rate in EBITDA over a specific period, and is a measure of growth in overall operational profitability.

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