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AVP INFRACON LIMITED

Please scan this QR code to view the RHP.

Our Company was incorporated as AVP Constructions Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated September 09, 2009, issued by Registrar of Companies, Chennai. Subsequently, the name of our Company was changed to 'AVP Infracon Private Limited' and a fresh certificate of incorporation consequent upon change of the name was issued by the Registrar of Companies, Chennai dated October 06, 2023. Further, our Company was converted into a Public Limited Company pursuant to shareholders resolution passed at the Extra Ordinary General Meeting of the Company held on October 20, 2023 and the name of our Company was changed from "AVP Infracon Private Limited" to "AVP Infracon Limited" vide a fresh Certificate of Incorporation dated November 17, 2023 having CIN U45400TN2009PLC072861 issued by the Registrar of Companies, Chennai. For details of change in name and registered office of our Company, please refer to chapter titled "Our History and Certain Other Corporate Matters" beginning on page no. 165 of Red Herring Prospectus.

Registered Office: Plot No. E-30, Second floor, IInd Avenue, Besant Nagar, Chennai- 600090, Tamil Nadu, India;
Website: www.avpinfra.com; E-Mail: cs@avpinfra.com Telephone No: +91-44-48683999. Company Secretary and Compliance Officer: Ms. Priyanka Singh

PROMOTERS: MR. D PRASANNA, MR. B VENKATESHWARLU, MR. VASANTH D AND MRS. D BHAGYAVATHY

THE ISSUE

INITIAL PUBLIC ISSUE OF UP TO 69,79,200 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH OF AVP INFRACON LIMITED ("AIL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [₹]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [₹]/- PER EQUITY SHARE (THE "ISSUE PRICE") AGGREGATING TO ₹ [₹] LAKHS ("THE ISSUE"), OF WHICH 7,31,200 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH FOR CASH AT A PRICE OF ₹ [₹]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [₹]/- PER EQUITY SHARE AGGREGATING TO ₹ [₹] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. NET ISSUE OF 62,48,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT A PRICE OF ₹ [₹]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [₹]/- PER EQUITY SHARE AGGREGATING TO ₹ [₹] LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 27.94% AND 25.01%, RESPECTIVELY, OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH.

ALLOCATION OF THE ISSUE	
QIB PORTION (EXCLUDING ANCHOR INVESTOR)	NOT MORE THAN 12,48,000 EQUITY SHARES
ANCHOR INVESTOR PORTION	NOT MORE THAN 18,70,400 EQUITY SHARES
RETAIL PORTION	NOT LESS THAN 21,90,400 EQUITY SHARES
NON-INSTITUTIONAL PORTION	NOT LESS THAN 9,39,200 EQUITY SHARES
MARKET MAKER PORTION	UPTO 7,31,200 EQUITY SHARES

PRICE BAND: ₹ 71/- to ₹ 75/- PER EQUITY SHARE

THE FLOOR PRICE IS 7.1 TIMES THE FACE VALUE AND CAP PRICE IS 7.5 TIMES OF THE FACE VALUE OF THE EQUITY SHARES.
BIDS CAN BE MADE FOR A MINIMUM OF 1,600 EQUITY SHARES AND IN MULTIPLES OF 1,600 EQUITY SHARES THEREAFTER.
THIS ISSUE IS BEING MADE THROUGH BOOK BUILDING PROCESS, IN TERMS OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE "SEBI (ICDR) REGULATIONS"), AS AMENDED READ WITH RULE 19(2)(B) OF SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED.
FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED "ISSUE PROCEDURE" BEGINNING ON PAGE 336 OF THE RED HERRING PROSPECTUS. A COPY OF THE RED HERRING PROSPECTUS IS BE DELIVERED FOR REGISTRATION TO THE REGISTRAR OF COMPANIES, CHENNAI AS REQUIRED UNDER SECTION 26 OF THE COMPANIES ACT, 2013.


BID OFFER PROGRAMME

ANCHOR BID OPENS ON MARCH 12, 2024

BID OFFER OPENS ON MARCH 13, 2024

BID OFFER CLOSES ON MARCH 15, 2024

ASBA*	Simple, safe, smart way of Application!!!!	Mandatory in Public issues. No cheque will be accepted	*Applications supported by blocked amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account. For further details, check section on ASBA below.
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UPI

UPI-Now available in ASBA for Retail Individual Investors ("RII") **
Investors are required to ensure that the bank account used for bidding is linked to their PAN.
UPI – Now available in ASBA for Retail Individual Bidders applying through Registered Brokers, DPs & RTA. Retail Individual Bidders also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account.

*ASBA has to be availed by all the investors except Anchor Investors (if any). UPI may be availed by RIIs.
For details on the ASBA and UPI process, please refer to the details given in ASBA Form and abridged prospectus and also please refer to the section "Issue Procedure" beginning on page 336 of the Red Herring Prospectus. The process is also available on the website of SEBI and Stock Exchanges in the General information Document. ASBA Forms can be downloaded from the website of Emerge platform of NSE ("NSE Emerge" or "Stock Exchange") and can be obtained from the list of banks that is displaying on website of SEBI at www.sebi.gov.in.

** List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in. For the list of UPI Apps and Banks live on IPO, please refer to the link: www.sebi.gov.in. Axis Bank Limited has been appointed as Sponsor Bank for the Issue in accordance with the requirements of the SEBI Circular dated November 1, 2018, as amended.

IN TERMS OF THE CIRCULAR NO. CIR/CFD/POLICYCELL/11/2015 DATED NOVEMBER 10, 2015, AND ALL POTENTIAL INVESTORS PARTICIPATE IN THE ISSUE ONLY THROUGH APPLICATION SUPPORTED BY BLOCKED AMOUNT(ASBA) PROCESS PROVIDING DETAILS ABOUT THE BANK ACCOUNT WHICH WILL BE BLOCKED BY THE SELF-CERTIFIED SYNDICATE BANKS (SCSB's) FOR THE SAME. FURTHER PURSUANT TO CIRCULAR BEARING NO. SEBI/HO/CFD/DIL2/CIR/P/2019/76 DATED JUNE 28, 2019, FOR IMPELMENTION OF PHASE II FOR UPI FACILITY, WHICH IS EFFECTIVE FROM JULY 01, 2019. ALL POTENTIAL BIDDERS (EXCEPT ANCHOR INVESTORS) ARE REQUIRED TO MANDATORILY UTILIZE THE APPLICATION SUPPORTED BY BLOCKED AMOUNT (ASBA) PROCESS PROVIDING DETAILS OF THEIR RESPECTIVE ASBA ACCOUNT OR CORRESPONDING UPI ID (IN CASE OF RIIs), IN WHICH THE APPLICATION AMOUNTS WILL BE BLOCKED BY THE SCSBs OR UNDER THE UPI MECHANISM, AS APPLICABLE.

FOR MORE DETAILS IN THIS REGARD, SPECIFIC ATTENTION IS INVITED TO THE "ISSUE PROCEDURE" ON PAGE NO. 336 OF THE RED HERRING PROSPECTUS. IN CASE OF DELAY, IF ANY IN UNBLOCKING/REFUND THE FUND, OUR COMPANY SHALL PAY THE INTEREST ON THE APPLICATION MONEY AT THE RATE OF 15% PER ANNUM FOR THE PERIOD OF DELAY.

1) Basic Earning per Share (EPS) as per Accounting Standard 20.

Period	Basic & Diluted EPS in ₹	Weights
2022-23	6.40	3
2021-22	2.22	2
2020-21	1.26	1
Weighted Average EPS		4.15
October 31, 2023		4.63

3) Return on Net Worth (RONW)

Period	Return on Net Worth	Weights
2022-23	46.18%	3
2021-22	29.73%	2
2020-21	33.08%	1
Weighted Average RONW		38.51%
October 31, 2023		25.05%

5) Comparison with industry peers

Name of the company	Face Value (Per Share)	CMP (₹)	EPS (₹)	P/E Ratio	RONW (%)	NAV (₹ Per share)	REVENUE* (₹ In Lakhs)
AVP Infracon Limited	10.00	[•]	6.40	[•]	46.18%	13.87	10,633.56
Peer Group*							
Udayshivakumar Infra Limited	10	60.10	4.37	13.75	11.11%	26.05	28,689.81
Bachana Infrastructure Limited	10	68.30	1.22	56.17	2.51%	48.50	6,351.67
H.G. Infra Engineering Limited	10	900.35	75.68	11.90	25.66%		

*Revenue from Operations

Notes:

- The figures for AVP Infracon Limited are based on the consolidated restated results for the year ended March 31, 2023.
- The figures for the peer group are based on standalone/ consolidated audited results for the respective year ended March 31, 2023.
- Current Market Price (CMP) is the closing price of respective scrip as on March 01, 2024.

For further details see section titled Risk Factors beginning on page 26 and the financials of the Company including profitability and return ratios, as set out in the section titled Auditors Report and Financial Information of Our Company beginning on page 211 of the Red Herring Prospectus for a more informed view.

Key financial and operational performance indicators ("KPIs")

Our company considers that KPIs included herein below have a bearing for arriving at the basis for Offer Price. The KPIs disclosed below have been approved by a resolution of our Audit Committee dated December 22, 2023. Further, the KPIs herein have been certified by M/s P P N and Company, Chartered Accountants (FRN: 013623S), by their certificate dated December 22, 2023 vide UDIN 23238452BGXEEA2322. Additionally, the Audit Committee on its meeting dated December 22, 2023, have confirmed that other than verified and audited KPIs set out below, our company has not disclosed to earlier investors at any point of time during the three years period prior to the date of the Red Herring Prospectus.

For further details of our key performance indicators, see "Risk Factors, "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 26, 125 and 282 respectively. We have described and defined them, where applicable, in "Definitions and Abbreviations" section on pages 2. Our Company confirms that it shall continue to disclose all the KPIs included in this section "Basis for Offer Price", 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 that is at least the later of (i) one year after the listing date or period specified by SEBI; or (ii) till the utilization of the Net Proceeds. Any change in these KPIs, during the aforementioned period, will be explained by our Company as required under the SEBI ICDR Regulations.

Key metrics like revenue growth, EBITDA Margin, PAT Margin and few balance sheet ratio are monitored on a periodic basic for evaluating the overall performance of our Company.

2) Price to Earnings (P/E) ratio in relation to Issue Price of ₹ [₹] per Equity Share of face value ₹ 10/- each fully paid up.

Particulars	P/E Ratio at floor price	P/E Ratio at cap price
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2022-23	11.09	11.72
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2021-22	31.98	33.78
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2020-21	56.35	59.52
P/E ratio based on the Weighted Average EPS, as restated	17.11	18.07

4) Net Asset Value per Equity Share

Particulars	Net Asset Value (NAV) in ₹
2022-23 (bonus adjusted)	13.87
2021-22 (bonus adjusted)	7.46
2020-21 (bonus adjusted)	3.80
October 31, 2023 (bonus adjusted)	18.50
- NAV after issue - At Floor Price	33.17
- NAV after Issue - At the Cap price	34.29
- NAV after issue - At Issue Price	[•]

KPI indicators

(Amount in lakhs except %)

Particulars	Period Ended October 31, 2023	Financial Year ended March 31st, 2023	Financial Year ended March 31st, 2022	Financial Year ended March 31st, 2021
Revenue from operations (1)	6,918.69	10,633.56	6,388.85	5,799.76
Growth in Revenue from Operations (2)	-	66.44%	10.16%	-
EBITDA (3)	1,484.17	2,028.41	1,024.85	595.45
EBITDA (%) Margin (4)	21.45%	19.08%	16.04%	10.27%
EBITDA Growth Period on Period (5)	-	97.92%	72.11%	-
ROCE (%) (6)	22.63%	37.04%	25.94%	20.85%
Current Ratio (7)	1.4	1.38	1.49	1.34
Operating cash flow (8)	(490.63)	(869.79)	139.27	(130.50)
PAT(9)	834.27	1,152.63	399.43	226.3
ROE/ RONW (10)	25.05%	46.18%	29.73%	33.08%
EPS (11)	4.63	6.40	2.22	1.26

- Notes:
- Revenue from operations is the total revenue generated by our Company from its operation.
 - Revenue CAGR: The three-year compound annual growth rate in Revenue. $[(\text{Ending Value}/\text{Beginning Value})^{(1/N)}]-1$
 - EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income
 - EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations
 - EBITDA CAGR: The three-year compound annual growth rate in EBITDA. $[(\text{Ending Value}/\text{Beginning Value})^{(1/N)}]-1$
 - ROCE: Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long-term debt.
 - Current Ratio: Current Asset over Current Liabilities
 - Operating Cash Flow: Net cash inflow from operating activities.
 - PAT is mentioned as PAT for the period.
 - ROC/RoNW is calculated PAT divided by shareholders' equity.
 - EPS is mentioned as EPS for the period (bonus adjusted).