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The Real Green Carbon Black

HI-GREEN CARBON LIMITED

Corporate Identity Numbers: U45100GJ2011PLC066917

Our Company was originally incorporated as "Shantol Green Hydrocarbons (India) Private Limited" as a private limited company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated August 29, 2011, issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, the name of our company was changed from "Shantol Green Hydrocarbons (India) Private Limited" to "Shantol Green Energy (India) Private Limited", pursuant to a special resolution passed by our Shareholders in the Extra-Ordinary General Meeting held on October 31, 2011, vide Certificate of Incorporation dated November 04, 2011, Issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Later on, the name of our company was changed from "Shantol Green Energy (India) Private Limited" to "Shantol Green (India) Private Limited", pursuant to a special resolution passed by our Shareholders in the Extra-Ordinary General Meeting held on February 28, 2017, vide Certificate of Incorporation dated March 15, 2017 issued by the Registrar of Companies, Ahmedabad. Thereafter, the name of our company was changed from "Shantol Green (India) Private Limited" to "Hi-Green Carbon Private Limited", pursuant to a special resolution passed by our Shareholders in the Annual General Meeting held on September 12, 2022, vide Certificate of Incorporation dated September 21, 2022 issued by the Registrar of Companies, Ahmedabad. Further, our company was converted from a private limited company to public limited company, pursuant to a special resolution passed by our Shareholders in the Extra-Ordinary General Meeting held on February 14, 2023 and consequently, the name of our Company was changed to "Hi-Green Carbon Limited" and a fresh certificate of incorporation dated March 21, 2023 was issued to our Company by the Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U45100GJ2011PLC066917. For details of change in name and registered office of our Company, please refer to chapter titled "History and Corporate Matters" beginning on page no. 126 of the Red Herring Prospectus.

Registered Office: G-557, Lodhika Industrial Estate, Metoda G.I.D.C. Gate No. 3, Metoda, Rajkot Lodhika Rajkot, Gujarat-360021 India.

Website: www.higreencarbon.com; | **E-Mail:** compliance@higreencarbon.com; | **Telephone No:** +91 92275 74010

Company Secretary and Compliance Officer: Mr. Sagar Dhirubhai Siyani

PROMOTERS OF OUR COMPANY:

M/S RNG FINLEASE PRIVATE LIMITED, MR. AMITKUMAR HASMUKHRAI BHALODI, DR. SHAILESHKUMAR VALLABHDAS MAKADIA, MRS. KRUPA CHETANKUMAR DETHARIYA, MRS. RADHIKA AMITKUMAR BHALODI, MRS. SHRIYAKUMARI SHAILESHKUMAR MAKADIA AND MR. KOOSH CHETANBHAI DETHARIYA

The Offer is being made in accordance with Chapter IX of the SEBI ICDR Regulations (IPO of Small and Medium Enterprises) and the equity shares are proposed to be listed on Emerge Platform of NSE

THE OFFER

INITIAL PUBLIC OFFER OF 7040000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH OF HI-GREEN CARBON LIMITED ("HGCL" OR THE "COMPANY" OR THE "OFFERER") FOR CASH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE (THE "OFFER PRICE") AGGREGATING TO ₹ [●] LAKHS ("THE OFFER") COMPRISING OF A FRESH ISSUE 5990000 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF 1050000 EQUITY SHARES BY PROMOTER SELLING SHAREHOLDER- M/S RNG FINLEASE PRIVATE LIMITED AGGREGATING TO ₹ [●] LAKHS ("OFFER FOR SALE"), OF WHICH 420800 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 OFFER (THE "MARKET MAKER RESERVATION PORTION"). THE OFFER LESS THE MARKET MAKER RESERVATION PORTION I.E. NET OFFER OF 6619200 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 OFFER". THE OFFER AND THE NET OFFER WILL CONSTITUTE 28.17% AND 26.49%, RESPECTIVELY, OF THE POST OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH.

- **QIB Portion: Not More than 50% of the Net Offer**
- **Retail Individual Bidders Portion: Not Less than 35% of the Net Offer**
- **Non-Institutional Bidders Portion: Not Less than 15% of the Net Offer**

PRICE BAND: ₹ 71/- to ₹ 75/- per Equity Share of Face Value ₹ 10/- each.

The Floor Price is 7.1 times of the Face Value and the Cap Price is 7.5 times of the Face Value.

Bids can be made for a minimum of 1600 Equity Shares and in multiples of 1600 Equity Shares thereafter

ASBA*

Simple, Safe, Smart way of Application- Make use of it!!!

*Applications Supported by Blocked Amount (ASBA) is a better way of applying to Offers by simply blocking the fund in the bank account, investors can avail the same. For details, check section on ASBA below. Mandatory in Public Offers from January 01, 2016. No cheque will be accepted



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 RIIs applying through Registered Brokers, DPs & RTAs. RIIs 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.

Investors have to apply through the ASBA process. ASBA has to be availed by all the investors except anchor investor. UPI may be availed by Retail Individual Investors. For details on the ASBA and the UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section "Offer Procedure" beginning on page 206 of the RHP. The process is also available on the website of Association of Investment Bankers of India ("AIBI"), the Stock Exchanges and in the General Information Document.

**ASBA forms can be downloaded from the website National Stock Exchange of India ("NSE") and can be obtained from the list of banks that is displayed on the 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. Axis Bank Limited has been appointed as Sponsor Bank for the Offer, in accordance with the requirements of the SEBI circular dated November 1, 2018, as amended. For UPI related queries, investors can contact NPCI at the toll free number-18001201740 and Mail Id- ipo.upi@npci.org.in. For the list of UPI Apps and Banks live on IPO, please refer to the link www.sebi.gov.in. For Offer related grievance investors may contact: Beeline Capital Advisors Private Limited - Mr. Nikhil Shah (079-49185784/ +91 99988 81702) (mb@beelineb.com).

RISKS TO INVESTORS:

- Our Promoters are party to certain litigation and claims. These legal proceedings are pending at different levels of adjudication before various regulatory authorities. Any adverse decision may make us liable to liabilities/penalties and may adversely affect our reputation, business and financial status.
- Our Company and its Promoters, has in past defaulted in payment of income tax and has certain outstanding income tax demands.
- Our Registered Office from where we operate is not owned by us.
- Our Company is planning to set up new Manufacturing Unit at Dhule District in the state of Maharashtra.
- Out of total estimated cost of Machinery of ₹ 3138.03 lakhs, machinery worth ₹ 2000 lakhs are to be purchased from Radhe Renewal Energy Development Private limited (related entity) and also we are yet to place order for purchase of Machinery worth ₹ 2738.03 Lakhs which constitutes 84.95% of the total cost of Machinery.
- The Merchant Banker associated with the Offer has handled 17 public Offer out of which 1 Offer closed below Offer price on listing date.
- Details Of Promoter Selling Shareholders and Their Average Cost Of Acquisition

Name of Promoter Selling Shareholder	Type	Number of Equity Shares Offered/Amount (₹ [●] in Lakhs)	Weighted Average Cost of Acquisition (In ₹ per Equity Shares)
M/S RNG Finlease Private Limited	Promoter Selling Shareholder	1050000 Equity Shares aggregating to ₹ [●] Lakhs	₹ 9.80

BRLM associated with the Offer has handled 17 Public Offers in last 3 Financial years, below are the details;

Particulars	Numbers of Offers/Offer Handled	Offer closed below Offer price on listing date
Main Board	Nil	Nil
SME	17	1

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company in consultation with the Book Running Lead Manager on the basis of the assessment of market demand for the Equity Shares through the Book Building Process and on the basis of quantitative and Equity Qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Offer Price is 7.1 times the face value at the lower end and the Price Band and 7.5 times the face value at the higher end of the Price Band. Investors should also refer to "Business Overview", "Risk Factors", "Restated Financial Information" and "Management's Discussion and Analysis of Financial Position and Results of Operations" beginning on pages 111, 26, 161 and 163, respectively of the Red Herring Prospectus, to have an informed view before making an investment decision.

Qualitative Factors

- Experienced Promoters and Management Team
- Strategic Location of Manufacturing Facilities
- Innovative Technology
- Quality assurance
- Permanent Demand and Wide Application of Product

For details of qualitative factors, please refer to the paragraph "Our Competitive Strengths" in the chapter titled "Business Overview" beginning on page no. 111 of the Red Herring Prospectus.

Quantitative Factors

Basic & Diluted Earnings Per Share (EPS):

Basic earnings per share (₹) = $\frac{\text{Restated Standalone Profit After Tax attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares outstanding}}$

Diluted earnings per share (₹) = $\frac{\text{Restated Standalone Profit After Tax attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares outstanding after adjusting adjusted for the effects of all dilutive potential equity shares}}$

Financial Year/Period	Basic and Diluted EPS (in ₹)	Weights
Financial Year ended March 31, 202	0.05	1
Financial Year ended March 31, 2022	1.94	2
Financial Year ended March 31, 2023	5.71	3
Weighted Average	3.51	

#Face Value of Equity Share is ₹ 10.

Price to Earnings (P/E) ratio in relation to Offer Price of ₹ [●]:

Price to Earnings Ratio(P/E) = $\frac{\text{Offer Price}}{\text{Restated Earnings Per Share}}$

Particulars	EPS (in ₹)	P/E at the lower end of the Price Band	P/E at the upper end of the Price Band
Based on EPS of Financial year ended March 31, 2023	5.71	12.43	13.13
Based on Weighted Average EPS	3.51	20.23	21.37

Industry PE: Not Applicable as Our company does not have comparable listed peer, therefore information related to Industry P/E is not provided.

Return on Net Worth:

Return on Net Worth (%) = $\frac{\text{Restated Standalone Profit After Tax attributable to Equity Shareholders}}{\text{Net Worth}} \times 100$

Financial Year/Period	Return on Net Worth (%)	Weights
Financial Year ended March 31, 2021	1.19%	1
Financial Year ended March 31, 2022	31.34%	2
Financial Year ended March 31, 2023	48.02%	3
Weighted Average	34.66%	

Net Asset Value per Equity Share:

Restated Net Asset Value per equity share (₹) = $\frac{\text{Restated Standalone Net Worth as at the end of the year}}{\text{Number of Equity Shares outstanding}}$

Particular	Amount (in ₹)
Financial Year ended March 31, 2021	4.24
Financial Year ended March 31, 2022	6.18
Financial Year ended March 31, 2023	11.89
NAV per Equity Share after the Offer	
At lower price band	26.06
At upper price band	27.02
Offer Price per Equity Share	[●]

Comparison of Accounting Ratios with Peer Group Companies:

Name of the company	Standalone Consolidated	Face Value (₹)	Current Market Price (₹)@	EPS (₹) Basic	P/E Ratio	RoNW (%)	NAV per Equity Share (₹)	Revenue from operations (₹ in Lakhs)
Hi-Green Carbon Limited	Standalone	10	[●]	5.71	[●]	48.02%	11.89	7,852.41
Peer Group*								

Note: (1) The EPS, P/E Ratio, NAV, RoNW and revenue from operations of Hi-Green Carbon Limited are taken as per Restated Standalone Financial Statement for the Financial Year 2022-23.

*Our company does not have comparable listed peer, therefore information related to peer group has not been provided.

The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Offer price is times [●] the face value of equity share.

The Offer Price of ₹ [●]/- is determined by our Company in consultation with the Book running lead manager is justified based on the above accounting ratios. For further details, please refer to the section titled "Risk Factors" and chapters titled "Business Overview" and "Restated Financial Information" beginning on page nos. 26, 111 and 161 respectively of the Red Herring Prospectus.

FINANCIAL KPIs OF OUR COMPANY

Particulars	For the Year ended on March 31		
	2023	2022	2021
Revenue from Operations (₹ in Lakhs)	7,852.41	5,110.69	2,427.09
Growth in Revenue from Operations (%)	53.65%	110.57%	0
EBITDA (₹ in Lakhs)	1994.02	885.38	356.12
EBITDA Margin (%)	25.39%	17.32%	14.67%
Profit After Tax (₹ in Lakhs)	1084.78	367.95	9.59
PAT Margin (%)	13.81%	7.20%	0.40%
RoE (%)	63.19%	37.16%	1.20%
RoCE (%)	64.70%	27.97%	3.28%
Net Fixed Asset Turnover (In Times)	4.30	3.12	1.43
Operating Cash Flows (in Lakhs)	1553.11	669.81	(118.58)

Source: The Figure has been certified by our statutory auditors M/s. J.C Ranpura & Co. Chartered Accountants vide their certificate dated June 28, 2023.

Notes:

- Revenue from Operations means the Revenue from Operations as appearing in the Restated Standalone Financial Statements.
- Growth in Revenue from Operations (%) is calculated as a percentage of Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period.
- EBITDA is calculated as profit for the period / year, plus tax expenses (consisting of current tax, deferred tax and current taxes relating to earlier years), finance costs and depreciation and amortization expenses less other income.

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