

...continued from previous page.

## 15. Weighted Average Return on Net Worth for Fiscals 2024, 2023 and 2022 is 39.26%.

## 16. The weighted average cost of acquisition of all Equity Shares acquired in the last three years, eighteen months and one year preceding the date of the RHP are as follows:

Period	Weighted Average Cost of Acquisition (In ₹)	Upper end of the Price Band (₹ 95.00) is 'x' times the weighted average cost of acquisition	Range of acquisition price: Lowest Price – Highest Price (In ₹)
Last 1 year	84.00	1.13	84.00 – 84.00
Last 18 months	83.98	1.13	11.17 – 84.00
Last 3 years	83.98	1.13	11.17 – 84.00

\*As certified by M/s. Mittal Agarwal & Company, Chartered Accountants by way of their certificate dated September 28, 2024.

## BID / OFFER PROGRAMME

## BID / OFFER OPENS TODAY

BID / OFFER CLOSING ON: THURSDAY, OCTOBER 10, 2024<sup>(1)(2)</sup>

<sup>(1)</sup> Our Company and the Promoter Selling Shareholder may, in consultation with the BRLM, 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.

<sup>(2)</sup> UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.

### BASIS OF OFFER PRICE

Investors should read the following summary with the section titled "Risk Factors" on page 33 of the RHP, the details about our Company under the section titled "Our Business" and its financial statements under the section titled "Restated Financial Information" beginning on pages 160 and 242 of the RHP respectively including important profitability and return ratios, as set out under the summary titled "Other Financial Information" of the RHP to have a more informed view. The issue price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his/her investment.

#### Qualitative Factors

The following business strengths allow us to successfully compete in the industry:

##### 1) Our primary focus is civil construction of residential and commercial buildings.

Historically, we have completed civil construction of residential and commercial projects. For details regarding our completed and ongoing/upcoming projects, please see page nos. 175 and 176 of the Red Herring Prospectus.

##### 2) We have established a track record of successfully executing a diverse mix of construction projects i.e., residential, hospitality and commercial projects.

We have been executing various construction projects since 2010 and these include civil construction for residential, residential cum commercial, civil construction cum services, infrastructure, industrial, hospitality & commercial buildings, additionally, Company provides additional services for hospitality and infrastructural projects. For details regarding our completed projects, please see page no. 175 of the Red Herring Prospectus.

##### 3) Our goal is to use our project management and execution capabilities to accomplish our projects on schedule while keeping high construction quality.

Our team members have professional experience in the management and execution of the projects undertaken by us. We leverage their skills and experience on execution capabilities and construction qualities. For details on our management team, please refer to page no. 209 of the Red Herring Prospectus.

##### 4) We have an experienced promoter and management team with our Chairman and Managing Director who is also our Promoter, having over 2 decades of experience in various businesses, such as construction, hospitality and management services.

Our Chairman cum Managing Director Mr. Pravin Kumar Agarwal, who is the promoter of our company, has over two decades of experience in the construction sector. His experience and expertise gives us advantage in procuring and executing the various construction activities. For more details on the profile of our Managing Director and Promoter, please refer page no. 226 of the Red Herring Prospectus.

##### 5) Our marketing and sales strategies

Our marketing and sales strategies are distinct and key to our success. We have a formulated marketing and sales strategy. For more details on our marketing and sales strategy, please refer page no. 186 of the Red Herring Prospectus.

##### 6) Visible growth through increasing order book

An increasing order book is a strong indicator of a company's growth and market demand. Our completed projects and ongoing/upcoming projects is a strong evidence of our visible growth. For details regarding our completed and ongoing/upcoming projects, please see page nos. 175 and 176 of the Red Herring Prospectus.

#### Quantitative Factors

Some of the information presented in this chapter is derived from the Restated Financial Statements. For further information, please see the section entitled "Financial Information" on page 242 of the RHP, respectively.

##### 1. Basic & Diluted Earnings per share (EPS), as restated:

Sr. No.	Period	Basic & Diluted (₹) (Post-Bonus and Split)	Weights
1.	FY 2021-22	2.51	1
2.	FY 2022-23	5.46	2
3.	FY 2023-24	4.67	3
	Weighted Average	4.67	
	1 month ended April 30, 2024 (not annualized)	0.47	

#### Notes:

i. The figures disclosed above are based on the Restated financial statements of the Company.

ii. The face value of each Equity Share is ₹ 10.

iii. Earnings per Share has been calculated in accordance with IND AS-31- "Earnings per Share" notified by the Companies (Indian Accounting Standards) Rules, 2015, as amended.

iv. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.

##### 2. Price Earning (P/E) Ratio in relation to the Price Band of ₹ 90.00 to ₹ 95.00 per equity share:

Sr. No.	Particulars	P/E at Floor Price (No. of times)	P/E at Cap Price (No. of times)
1.	Based on Basic and Diluted EPS, as restated for FY 2023-24	18.46	19.51
2.	Based on the Weighted Average EPS for last three FY	19.27	20.34

#### 3. Industry P/E Ratio

Particulars	P/E Ratio
Highest	48.67
Lowest	20.00
Average	27.58

\*Note: The industry high and low has been considered from the industry peer set provided later in this section. The industry composite has been calculated as the arithmetic average P/E Ratio of the industry peer set disclosed in this section. For further details, see "Comparison of Accounting Ratios with Industry peers" below.

##### 4. Return on Net Worth (RONW)

Sr. No.	Period	RONW (%)	Weights
1.	FY 2021-22	44.94	1
2.	FY 2022-23	49.38	2
3.	FY 2023-24	30.62	3
	Weighted Average	39.26	
	1 month ended April 30, 2024 (not annualized)	2.86	

RONW (%) = Net profit after tax/Net worth at the end of the year.

Net worth = Equity share capital + Other Equity (including Securities Premium and Surplus) (Deficit) and other comprehensive income excluding share application money).

Net Profit after tax = Calculated before accounting for Non-controlling Interest

##### 5. Net Asset Value (NAV) per Equity Share:

Sr. No.	As at	NAV Post Bonus and Split
1.	As on March 31, 2022	5.59
2.	As on March 31, 2023	11.05
3.	As on March 31, 2024	15.92
4.	As on April 30, 2024	16.39
5.	NAV after Issue	16.39
	Issue Price	16.39

NAV = Total Shareholder Equity/Total number of equity shares at the end of the year (adjusted for Bonus and Split)

Where, Total Shareholder equity = Equity share capital + Other Equity (including Securities Premium and Surplus) (Deficit) and other comprehensive income excluding share application money).

##### 6. Comparison of Accounting Ratios with Industry Peer

Sr. No.	Name of the Company	Face Value (₹ Per Share)	EPS (₹)	P/E Ratio	RONW (%)	Net Asset Value per share (₹)
1.	Garuda Construction & Engineering Ltd*	10.00	4.87	19.27	36.14%	15.92
2.	PSP Projects Limited	10.00	34.16	20.00	17.73%	254.13
3.	Capacite Infrastructures Limited	10.00	16.09	23.61	9.35%	223.44
4.	Vascon Engineers Limited	10.00	3.05	22.66	11.32%	44.33
5.	Ahiwale Contracts (India) Limited	2.00	55.95	22.97	17.14%	238.84
6.	B.L. Kashyap & Sons Limited	1.00	2.33	48.67	13.38%	22.02

Source: All the financial information for listed industry peer mentioned above is on a consolidated basis and is sourced from the annual audited financial results of the listed peer for the year ended March 31, 2024 sourced from the audited financials of the respective companies for the year ended March 31, 2024, unless provided otherwise.

1) For listed peer - sourced from the annual audited financial results of the listed peer for the year ended March 31, 2024.

2) For listed peer: Net Asset Value (NAV) is computed as equity attributable to owners (total equity) divided by the number of equity shares outstanding at the end of the year.

3) For listed peer: P/E Ratio has been computed based on the closing market price of equity shares on the website of BSE as of August 30, 2024, divided by the Basic EPS provided under Note 1 above.

4) For listed peer: Return on Net Worth for equity shareholders (%) (RONW) = Profit for the year divided by average net-worth of the company.

\*Source for our Company: Based on the Restated Financial Information for the year ended March 31, 2024.

##### 7. Key Performance Indicators:

In evaluating our business, we consider and use certain KPIs, as disclosed below which have been used historically by our Company to review and analyse the business performance, which help us in analysing the growth of our business. The Bidders can refer to the below-mentioned KPIs to make an assessment of our Company's performance and make an informed decision. These KPIs have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity or results of operation. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it provides an additional tool for investors to use in evaluating our ongoing operating results and trends because it provides consistency and comparability with past financial performance, when taken collectively with financial measures prepared in accordance with Ind AS. Investors are encouraged to review the Ind AS financial measures and to not rely on any single financial or operational metric to evaluate our business.

The tables below set forth the details of our KPIs that our Company considers have a bearing for arriving at the basis for Issue Price. Our Company considers the following KPIs to have a bearing for arriving at the basis for the Issue Price. The table below also sets forth a brief explanation of and the importance of these KPIs for our business and operations, along with details of KPIs as at the period ended April 30, 2024 and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022.

## 17. Weighted Average Cost of Acquisition, Floor Price and Cap Price:

Type of Transactions	Weighted Average Cost of Acquisition (In ₹)	Floor Price (₹90.00)	Cap Price (₹95.00)
Weighted Average Cost of Acquisition of Primary Issuances 18 months prior to RHP	NA	NA	NA
Weighted Average Cost of Acquisition of Secondary Transactions 18 months prior to RHP	NA	NA	NA
Weighted Average Cost of Acquisition of last five transactions based on Primary Issuances and Secondary Transactions three years prior to RHP	83.99	1.07	1.13

\*As certified by M/s. Mittal Agarwal & Company, Chartered Accountants by way of their certificate dated October 07, 2024.

For further details, please see "Basis of Offer Price" beginning on page 122 of the RHP.

## BID / OFFER OPENS TODAY

BID / OFFER CLOSING ON: THURSDAY, OCTOBER 10, 2024<sup>(1)(2)</sup>

### Key Financial Performance

	Period ended April 30, 2024	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations <sup>(1)</sup>	1,187.50	15,417.83	16,068.76	7,702.08
Total Revenue	1,187.50	15,448.88	16,102.41	7,702.79
EBITDA <sup>(2)</sup>	470.81	5,038.56	5,596.17	2,716.85
EBITDA margin as a percentage of revenue from operations (%) <sup>(3)</sup>	39.65%	32.49%	34.85%	35.27%
PAT <sup>(4)</sup>	350.17	3,643.53	4,079.53	1,878.22
PAT Margin <sup>(5)</sup>	29.49%	23.63%	25.39%	24.39%
Net Debt <sup>(6)</sup>	12,250.81	11,900.84	8,261.18	510.64
Net Worth	738.01	738.01	660.46	270.00
Inventories <sup>(7)</sup>	18,256.37	17,624.24	7,697.71	3017.34
Trade Receivables <sup>(8)</sup>	2.90%	36.14%	65.59%	57.97%
ROCE (%) <sup>(9)</sup>	3.87%	46.69%	70.85%	40.46%

#### Notes:

- Revenue from Operations: This represents the income generated by our Company from its core operating operation.
- EBITDA: Calculated as restated profit/loss before tax, plus interest, depreciation & amortization expense, less other income. This gives information regarding the operating profits generated by our Company in comparison to the revenue from operations of our Company.
- EBITDA Margin (in %): Calculated as the percentage of EBITDA during a given year period divided by revenue from operations. This gives information regarding operating efficiency of our Company.
- Profit after tax and non-controlling interest: This gives information regarding the overall profitability of our Company.
- PAT Margin (in %): Calculated as the restated profit after tax and non-controlling interest attributable to equity shareholders of our Company divided by the revenue from operations. This gives information regarding the overall profitability of our Company in comparison to revenue from operations of our Company.
- Net debt: Calculated as Non-current borrowing plus current borrowing less Cash & Cash Equivalents and Bank Balance. This gives information regarding the overall debt of our Company.
- Total Equity: This represents the aggregate value of equity share capital and the other equity. This gives information regarding total value created by the entity and provides a snapshot of current financial position of the entity.
- Inventories: This represents closing balance of construction work-in-progress of respective projects.
- Trade Receivables: This represents amount receivable on sale of inventories.
- Return on Equity (ROE): Calculated as Profit After Tax for the year/period attributable to shareholders divided by Average Equity Shareholders Fund
- Return on Capital Employed (ROCE): Calculated as earnings before interest and tax for the year/period excluding other income divided by Average Capital Employed (Total Assets - Current Liability excluding short-term borrowings).

All the KPIs disclosed above have been approved by the Audit Committee pursuant to resolution dated August 30, 2024. The Audit Committee has confirmed and taken on record that: (a) no KPIs have been shared by our Company with any investors in the last three financial years prior to filing of the Red Herring Prospectus, and (b) verified details of the aforementioned KPIs have been included in this section. Further, the KPIs herein have been certified by M/s Mittal Agarwal & Company, Statutory Auditors by their certificate dated August 30, 2024 and it has been included in the list of material disclosures for the respective periods.

We have described and defined all above KPIs, wherever applicable, in "Definitions and Abbreviations" section beginning on page 1 of the RHP. For details of other financial and operating metrics disclosed elsewhere in this Red Herring Prospectus, see "Our Business", "Basis of Offer Price" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 160, 122 and 309 of the RHP, respectively. Our Company confirms that it shall continue to disclose all the KPIs included in this section titled, "Basis for Issue 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 of one year after the date of filing of the Equity Shares on the Stock Exchanges or such period as may be required under the SEBI ICDR Regulations.

#### Comparison of KPIs with listed industry peers\*

Key Financial Performance	Garuda Construction and Engineering Limited	PSP Projects Limited	Capacite Infrastructures Limited	Vascon Engineers Limited	Ahiwale Contracts (India) Limited	B.L. Kashyap & Sons Limited
Revenue from operations	15,417.83	2,50,578.85	1,93,163.80	1,05,285.89	3,85,529.77	1,24,453.44
Total Revenue	15,468.88	2,53,000.52	1,96,365.30	1,07,544.17	3,89,194.01	1,25,676.46
EBITDA	5,038.56	28,515.19	36,337.18	10,782.36	42,513.97	33,299.72
EBITDA margin as a percentage of revenue from operations	32.49%	14.72%	20.20%	10.58%	14.98%	26.76%
PAT	3,643.53	12,345.80	12,032.99	6,793.51	37,482.59	5,252.89
PAT Margin	23.63%	6.37%	6.69%	6.66%	13.21%	4.22%
Net Debt	-	34,198.83	30,652.13	15,054.29	-	29,132.35
Net Worth	11,900.84	91,486.99	1,51,696.11	98,104.18	1,59,094.53	49,834.40
Inventories	738.01	31,783.11	11,106.95	56,086.58	31,584.97	49,509.99
Trade Receivables	17,624.24	34,211.86	54,796.74	26,634.49	74,558.57	37,712.23
ROE (%)	36.14%	14.39%	9.29%	7.18%	26.51%	11.16%
ROCE (%)	46.69%	16.98%	14.24%	8.25%	21.05%	31.56%

\*Based on the restated financial statements as at March 31, 2024 for our Company and annual reports of the listed peers for the year ended March 31, 2024 for our listed peers.

The KPIs are calculated with the same formulas as calculated for our company in the table above.

Our company's PAT margin is higher than our listed industry peers, which is majorly attributable to lower interest cost due to nil borrowings and lower depreciation due to light fixed asset inventory vis-à-vis our listed industry peers.

#### Weighted average cost of acquisition, Floor price and Cap Price

##### a. Price per share of our Company based on the primary new issue of shares (equity/convertible securities)

There has been no issuance of Equity Shares or convertible securities excluding shares issued under ESOP/ESOS and issuance of bonus shares during the 18 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, as applicable), in a single transaction or multiple transactions combined together over a span of 30 days.

##### b. Price per share of our Company based on the secondary sale/acquisition of shares (equity/convertible securities)

There have been no secondary sale/acquisitions of Equity Shares or any convertible securities, where the Promoter, members of the Promoter Group are a party to the transaction, during the 18 months preceding the date of the Red Herring Prospectus, where either acquisition or sale 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 ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

For the purpose of disclosure under part (a) and (b) above, "primary transaction" refers to a primary issue of Equity Shares or securities convertible into Equity Shares, excluding shares issued under a bonus issuance and sub-division of shares and secondary transactions refer to any secondary sale or acquisition of Equity Securities (excluding gifts).

Note: 1) Primary and secondary transactions in the last three years preceding the date of the Red Herring Prospectus

The Weighted average cost of acquisition of Equity Shares of basis the last five primary and secondary transactions (secondary transactions where promoters, promoter group, selling shareholders or shareholder(s) having the right to nominate director(s) on the Board, are a party to the transaction), not older than three years irrespective of the size of transactions:

Sr. No.	Transaction	Number of shares	Price per share	Value of shares
1.	Sale of Shares by Promoter Selling Shareholder (PKH Ventures Limited)	5,95,328	84.00	4,99,99,992
2.	Sale of Shares by Promoter Selling Shareholder (PKH Ventures Limited)	17,85,714	84.00	14,99,99,976
3.	Sale of shares by Promoter Selling Shareholder (PKH Ventures Limited)	60 <sup>(a)</sup>	67.00	670
4.	Sale of shares by Promoter Selling Shareholder (PKH Ventures Limited)	60 <sup>(b)</sup>	67.00	670
5.	Sale of shares by Promoter Selling Shareholder (PKH Ventures Limited)	60 <sup>(c)</sup>	67.00	670
	Total	23,81,132	83.99	20,00,01,978

\*Adjusted for Bonus and Split

##### c. Weighted average cost of acquisition, Floor price and Cap Price

#### Types of transactions

Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity/convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of filing of the Red Herring Prospectus, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of the 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 30 days.

Weighted average cost of acquisition for last 18 months for secondary sale/acquisition of shares (equity/convertible securities), where promoter/ promoter group entities or Selling Shareholders or shareholder(s) having the right to nominate director(s) in the Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of the Red Herring Prospectus, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of the 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 30 days.

Since there were no primary or secondary transactions of equity shares of our Company during the 18 months preceding the date of filing of the Red Herring Prospectus, the information has been disclosed for price per share of our Company based on the last five primary or secondary transactions where Promoter/ Promoter Group entities or Selling Shareholders or shareholder(s) having the right to nominate director(s) on the Board, are a party to the transaction, not older than three years prior to the date of filing of the Red Herring Prospectus irrespective of the size of the transaction.

	Weighted average cost of acquisition (₹ per Equity Share)	Floor price (₹ 90.00)	Cap price (₹ 95.00)
(a) Based on primary issuances	NA	NA	NA
(b) Based on secondary transactions	NA	NA	NA
(c) Based on last five transactions mentioned in Note 1	83.99	1.07	1.13

Continued on next page.