

BASIS FOR ISSUE PRICE

*Investors should read the following summary with the section titled “**Risk Factors**”, the details about our Company under the section titled “**Our Business**” and its financial statements under the section titled “**Financial Information of the Company**” beginning on page 30, 109 and 157 respectively of the Red Herring Prospectus. The trading price of the Equity Shares of Our Company could decline due to these risks and the investor may lose all or part of his investment.*

Price Band/ Issue Price shall 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 the qualitative and quantitative factors as described in this section. The face value of the Equity Shares is ₹10/- each and the Issue Price is 13.3 times of the face value at the lower end of the Price Band and 14.0 times of the face value at the upper end of the Price Band.

QUALITATIVE FACTORS

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

- a) Diverse range of product portfolio having applications across various industry verticals
- b) In-house product fabrication capabilities
- c) Sustainable Order Book
- d) Stringent quality control mechanism ensuring standardized product quality
- e) Experienced and Qualified Management and Employee base

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “**Our Business**” beginning on page 109 of the Red Herring Prospectus.

QUANTITATIVE FACTORS

The information presented below relating to our Company is based on the Restated Financial Statements. For details, please refer section titled “**Financial Information of the Company**” on page 157 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 & Diluted Earnings per share (EPS) (Face value of ₹10 each):

As per the Restated Financial Statements:

Sr. No	Period	Basic & Diluted (₹)	Weights
1.	Financial Year 2021-2022	0.30	1
2.	Financial Year 2022-2023	2.97	2
3.	Financial Year 2023-2024	9.34	3
	Weighted Average	5.71	6
	November 30, 2024	2.91	

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 ₹10.00.
- iii. Earnings per Share has been calculated in accordance with *Accounting Standard 20 – “Earnings per Share”* issued by the Institute of Chartered Accountants of India.
- iv. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.
- v. Basic Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders/ Weighted average number of equity shares outstanding during the year/ period.
- vi. Diluted Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders/ Weighted average number of diluted potential equity shares outstanding during the year/ period.

2. Price Earning (P/E) Ratio in relation to the Price Band of ₹ 133 to ₹140 per Equity Share of Face Value of ₹10/- each fully paid up:

Particulars	(P/E) Ratio at the Floor Price (₹ 133)	(P/E) Ratio at the Cap Price (₹ 140)
P/E ratio based on the Basic & Diluted EPS, as restated for Financial Year 2023-2024	14.24	14.99
P/E ratio based on the Weighted Average EPS, as restated.	23.29	24.52

3. Average Return on Net worth (RoNW)

Sr. No	Period	RONW (%)	Weights
1.	Financial Year 2021-2022	23.44	1
2.	Financial Year 2022-2023	70.80	2
3.	Financial Year 2023-2024	69.75	3
	Weighted Average	62.38	6
	November 30, 2024	15.35	

Note:

- The RoNW has been computed by dividing net profit after tax (excluding exceptional items) with restated Net worth as at the end of the year/ period*
- Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/ Total of weights.*

4. Net Asset Value (NAV) per Equity Share:

Sr. No.	NAV per Equity Share	(₹ in lakhs)	Outstanding at the end of the year
1.	As at November 30, 2024		15.82
2.	As at March 31, 2024		13.39
3.	As at March 31, 2023		4.05
4.	As at March 31, 2022		1.19
5.	NAV per Equity Share after the Issue		
	a) at Floor Price		46.69
	b) at Cap Price		48.54
6.	Issue Price		[●]

Notes: -

- NAV per share = Restated Net worth at the end of the year/period divided by total number of equity shares outstanding at the end of the year/ period.*
- Net worth is computed as the sum of the aggregate of paid-up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares.*
- Issue Price per Equity Share will be determined by our Company in consultation with the Book Running Lead Manager.*
- The figures disclosed above are based on the Restated Financial Statements of the Company.*

5. Comparison of Accounting Ratios with Industry Peers

There are no listed companies in India that are engaged in a business similar to that of our company accordingly it is not possible to provide an industry comparison in relation to our company.

6. Key Performance Indicators

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of our company.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated April 10, 2025 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the stub period and three years period prior to the date of filing of the Red Herring Prospectus. Further, the KPIs herein have been certified by M/s Seth & Associates, by their certificate dated April 10, 2025.

The KPIs of our Company have been disclosed in the sections titled “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators**” on pages 109 and 207, respectively. We have described and defined the KPIs as applicable in “**Definitions and Abbreviations**” on page **Error! Bookmark not defined.** of the Red Herring Prospectus.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or 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 on the Stock Exchange or till the complete utilization of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

Key Performance Indicators of our Company

(Rs. In Lakhs except percentages and ratios)

Key Financial Performance	November 30, 2024	FY 2023-24	FY 2022-23	FY 2021-22
Revenue from operations ⁽¹⁾	1,245.00	1,941.85	1,181.07	139.78
EBITDA ⁽²⁾	157.20	346.33	127.25	8.14
EBITDA Margin ⁽³⁾	12.63%	17.84%	10.77%	5.82%
PAT	94.70	256.88	78.87	4.60
PAT Margin ⁽⁴⁾	7.61%	13.23%	6.68%	3.29%
Net Worth ⁽⁵⁾	617.07	368.27	111.39	19.63
Return on Net Worth ⁽⁶⁾	15.35%	69.75%	70.80%	23.44%
RoCE (%) ⁽⁷⁾	10.63%	46.49%	30.30%	3.89%

Notes:

(1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements

(2) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income

(3) ‘EBITDA Margin’ is calculated as EBITDA divided by Revenue from Operations

(4) ‘PAT Margin’ is calculated as PAT for the period/year divided by revenue from operations.

(5) ‘Net worth’ means Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).

(6) Return on Net Worth is ratio of Profit after Tax and Net Worth.

(7) Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders’ equity plus total borrowings {current & non-current} adjusted with Deferred tax Assets/liability.

Explanation for KPI metrics

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business
EBITDA	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
PAT	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.

Net Worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
RoE(%)	RoE provides how efficiently our Company generates profits from shareholders' funds.
RoCE (%)	RoCE provides how efficiently our Company generates earnings from the capital employed in the business.

7. Set forth below are the details of comparison of key performance of indicators with our listed industry peer:

There are no listed companies in India that is engage in a business similar to that of our Company. Accordingly, it is not possible to provide a comparison of key performance indicators of industry with our Company.

8. Weighted average cost of acquisition

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

Except as disclosed below, there has been no issuance of Equity Shares, other than Equity Shares issued pursuant to a bonus issue on August 07, 2024 during the 18 months preceding the date of this RHP, where such issuance is equal to or more than 5% 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.

Date of Allotment	No. of equity shares allotted	Face value of shares	Issue price per equity share (₹)	Nature of Allotment	Nature of consideration	Total consideration (₹)
August 17, 2024	11,50,000	10	13.40	Rights Issue	Cash	1,54,10,000

b) The price per share of our Company based on the secondary sale / acquisition of shares (equity shares)

There has been no secondary sale / acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% 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 rolling 30 days.

Weighted average cost of acquisition, floor price and cap price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor price (i.e. ₹ 133)	Cap price (i.e. ₹ 140)
Weighted average cost of acquisition of primary / new issue as per paragraph 8(a) above.	13.39	9.93 times	10.46 times
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 8(b) above.	NA^	NA^	NA^

Note:

There were no secondary sales / acquisition of shares of shares (equity/ convertible securities) other than Shares transfer on in last 18 months from the date of this Red Herring Prospectus.

Tankup Engineers Limited is a Book Built Issue and the price band for the same shall be published 2 working days before opening of the Issue in all editions of the English national newspaper, Business Standard, all editions of Hindi national newspaper Business Standard and Lucknow Edition of Regional newspaper Group-5 Samachar where the registered office of the company is situated each with wide circulation.

The Price Band/ Floor Price/ Issue Price shall be determined by our Company in consultation with the BRLM and will be justified by us in consultation with the BRLM on the basis of the above information. Investors should read the above mentioned information along with **“Our Business”, “Risk Factors” and “Restated Financial Statements”** on pages 109, 30 and 161 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could

decline due to the factors mentioned in “**Risk Factors**” or any other factors that may arise in the future and you may lose all or part of your investments.