

## **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 27, 121 and 167 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.*

The Issue Price will be determined by our Company in consultation with the BRLM on the basis of the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10.00 each and the Issue Price is ₹ [●] times of the face value.

### **QUALITATIVE FACTORS**

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

- a) In-house manufacturing facility;
- b) Stringent quality control mechanism ensuring standardized product quality;
- c) Long standing relationship with our customers;
- d) Well qualified and Experienced Management Team

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 121 of this Red Herring Prospectus.

### **QUANTITATIVE FACTORS**

The information presented below relating to our Company is based on the Restated Consolidated Financial Statements. For details, please refer section titled “Financial Information of the Company” on page 167 of this 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	F.Y.	Basic & Diluted (₹)	Weights
1.	Financial Year ending March 31, 2025	6.51	3
2.	Financial Year ending March 31, 2024	7.21	2
3.	Financial Year ending March 31, 2023	7.45	1
	<b>Weighted Average</b>	<b>6.90</b>	<b>6</b>

#### **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 ₹ [●] to ₹ [●] per Equity Share of Face Value of ₹ 10/- each fully paid up:**

Particulars	(P/E) Ratio at the Floor Price	(P/E) Ratio at the Cap Price
P/E ratio based on the Basic & Diluted EPS, as restated for period ending March 31, 2025	[●]	[●]
P/E ratio based on the Weighted Average EPS, as restated.	[●]	[●]

Industry P/E Ratio*	(P/E) Ratio
Highest	36.05
Lowest	12.54
Industry Average	24.30

**Note:**

i) The P/E ratio of peers has been computed by dividing Market price as on 09.06.2025 with EPS for the F.Y. 2024-25.

**3. Return on Net worth (RoNW)**

Sr. No	Period	RONW (%)	Weights
1	Period ending March 31, 2025	12.51%	3
2	Period ending March 31, 2024	15.80%	2
3	Period ending March 31, 2023	19.41%	1
	<b>Weighted Average</b>	<b>14.76%</b>	<b>6</b>

**Note:**

i. The figures disclosed above are based on the Restated Financial Statements of the Company.

ii. The RoNW has been computed by dividing restated net profit after tax (excluding exceptional items) with restated Net worth as at the end of the year

iii. 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	(Amount in ₹)
1.	As at March 31, 2023	38.40
2.	As at March 31, 2024	45.60
3.	As at March 31, 2025	52.11
4.	NAV per Equity Share after the Issue	
	i) At Floor Price	[●]
	ii) At Cap Price	[●]
5.	Issue Price	[●]

\*The above NAV has been calculated based on weighted number of shares outstanding at the end of the respective year.

**Notes:**

i. The figures disclosed above are based on the Restated Financial Statements of the Company.

ii. NAV per share = Restated Net worth at the end of the year divided by weighted average number of equity shares outstanding at the end of the year

iii. 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 and debit or credit balance of profit and loss account.

iv. Issue Price per Equity Share will be determined by our Company in consultation with the Book Running Lead Manager.

**5. Comparison of Accounting Ratios with Industry Peers**

(₹ In lakhs)

Name of Company	Current Market Price (₹)	Face Value	EPS Basic/ Diluted	PE	RoNW (%)	Book Value (₹)	Total Income (₹ in lakhs)
Shri Hare-Krishna Sponge Iron Limited	[●]	10.00	6.51	[●]	12.51%	52.12	8,360.02
<b>Peer Group</b>							
Vraj Iron and Steel Limited	179.05	10.00	14.28	12.54	11.11%	120.34	47886.0
Chaman Metallics Limited	146.00	10.00	4.05	36.05	9.83%	41.19	17416.77

Notes:

- (i) Source – All the financial information for listed industry peers mentioned above is sourced from the Financial Results of the aforesaid companies for the year ended March 31, 2025 and stock exchange data dated 09.06.2025 to compute the corresponding financial ratios. Further, P/E Ratio is based on the current market price of the respective scrips.
- (ii) The EPS, NAV, RoNW and total Income of our Company are taken as per Restated Financial Statement for the F.Y. 2024-25.
- (iii) NAV per share is computed as the closing net worth divided by the weighted average number of paid-up equity shares as on March 31, 2025.
- (iii) RoNW has been computed as net profit after tax divided by closing net worth.
- (iv) Net worth has been computed in the manner as specifies in Regulation 2(1) (hh) of SEBI (ICDR) Regulations, 2018.
- (v) The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Issue price is [●] times the face value of equity share.

## 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 June 10<sup>th</sup>, 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 three years period prior to the date of filing of this Red Herring Prospectus. Further, the KPIs herein have been certified by A.C. Bhuteria & Co., Chartered Accountants, by their certificate dated June 10<sup>th</sup>, 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 121 and 219, respectively. We have described and defined the KPIs as applicable in **“Definitions and Abbreviations”** on page 1.

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 utilisation of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue, 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 Regulation. Key Performance Indicators of our Company.

(₹ In Lakhs except percentages and ratios)			
Key Financial Performance	FY 2024-25	FY 2023-24	FY 2022-23
Revenue from operations <sup>(1)</sup>	8,047.00	8,226.63	9,425.17
EBITDA <sup>(2)</sup>	1,078.23	1,210.61	1,396.52
EBITDA Margin <sup>(3)</sup>	13.40%	14.72%	14.82%

PAT <sup>(4)</sup>	919.80	1,017.44	1,052.53
PAT Margin <sup>(5)</sup>	11.43%	12.37%	11.17%
RoE <sup>(6)</sup>	13.33%	17.16%	21.50%
RoCE <sup>(7)</sup>	14.70%	19.24%	26.11%

**Notes:**

<sup>(1)</sup> Revenue from operation means revenue from sales, service and other operating revenues

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

<sup>(3)</sup> EBITDA Margin is calculated as EBITDA divided by Revenue from Operations

<sup>(4)</sup> PAT is calculated as Profit before tax – Tax Expenses

<sup>(5)</sup> PAT Margin is calculated as PAT for the year divided by Revenue from operations.

<sup>(6)</sup> Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

<sup>(7)</sup> Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus Long term borrowings and Short term borrowings+ Deferred Tax liability (net).

**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.
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:**

(₹ In Lakhs except percentages and ratios)

Key Financial Performance	Shri Hare-Krishna Sponge Iron Limited			Vraj Iron and Steel Limited			Chaman Metallics Limited		
	FY 2024-25	FY 2023-24	FY 2022-23	FY 2024-25	FY 2023-24	FY 2022-23	FY 2024-25	FY 2023-24	FY 2022-23
Revenue from operations <sup>(1)</sup>	8,047.00	8,226.63	9,425.17	47503.1	41985.7	51567.1	17218.41	18887.39	22761.86
EBITDA <sup>(2)</sup>	1,078.23	1,210.61	1,396.52	6447.3	7976.9	7956.4	1518.28	1798.56	2611.37
EBITDA Margin (%) <sup>(3)</sup>	13.40%	14.72%	14.82%	13.57%	19.00%	15.43%	8.82%	9.52%	11.47%
PAT <sup>(4)</sup>	919.80	1,017.44	1,052.53	4408.7	5740.8	5399.7	977.62	1252.44	1709.63
PAT Margin (%) <sup>(5)</sup>	11.43%	12.37%	11.17%	9.28%	13.67%	10.47%	5.68%	6.63%	7.51%
RoE (%) <sup>(6)</sup>	13.33%	17.16%	21.5%	14.76%	33.65%	47.52%	10.34%	15.04%	29.75%
RoCE (%) <sup>(7)</sup>	14.70%	19.24%	26.11%	13.99%	29.24%	50.97%	2.79%	7.07%	23.85%

**Notes:**

<sup>(1)</sup> Revenue from operation means revenue from sales, service and other operating revenues

<sup>(2)</sup> EBITDA is calculated as Profit before tax + Depreciation + Interest/Finance Cost\* - Other Income

<sup>(3)</sup> EBITDA Margin is calculated as EBITDA divided by Revenue from Operations

<sup>(4)</sup> PAT is calculated as Profit before tax – Tax Expenses

<sup>(5)</sup> PAT Margin is calculated as PAT for the period/year divided by revenue from operations.

<sup>(6)</sup> Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

<sup>(7)</sup> Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus Long term borrowings and Short term borrowings+ deferred tax liability (net).

\*In the case of peer companies, finance cost is used as a proxy for interest expense where specific interest data is not available in the financial statements.

## 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)

There has been no issuance of Equity Shares during the 18 months preceding the date of this Red Herring Prospectus, 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.

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

Except mentioned below, there is 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 of shares), 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.

Date of transfer	Name of transferor	Name of transferee	No. of Equity shares	Price Per Equity Share (₹)	Nature of transaction	Total Consideration (Rs. in lakhs)
September 24, 2024	Newzone Merchants Private Limited	I Indo Chains (Raipur) Private Limited	7,71,250	53.1	Acquisition by way of transfer of shares	409.53
September 24, 2024	Paras Credit Capital Private Limited	I Indo Chains (Raipur) Private Limited	6,27,000	53.1	Acquisition by way of transfer of shares	332.94
September 24, 2024	Paras Credit Capital Private Limited	ARP Complex Private Limited	1,10,000	53.1	Acquisition by way of transfer of shares	58.41
September 24, 2024	Paras Credit Capital Private Limited	Buxom Trexim Private Limited	2,00,500	53.1	Acquisition by way of transfer of shares	106.47
September 24, 2024	Paras Credit Capital Private Limited	Anita Tradelinks Private Limited	2,00,000	53.1	Acquisition by way of transfer of shares	106.20

- c) Since there are no such transactions to report to under (a) and (b) therefore, information based on last 5 primary or secondary transactions (*secondary transactions where Promoter/ Promoter Group entities or shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction*), not older than 3 years prior to the date of this certificate irrespective of the size of transactions, is as below:

#### Primary Transactions:

There have been no primary transactions in the last three years preceding the date of this Red Herring Prospectus:

Date of Allotment	No. of equity Shares allotted	Issue price per equity share (₹)	Nature of allotment	Nature of consideration	Total Consideration (in ₹ lakhs)
NA					

#### Secondary Transactions:

Except as disclosed below, there have been no secondary transactions by the Promoters, members of the Promoter Group or shareholder(s) having the right to nominate director(s) in the Board of Directors of our Company are a party to the transaction, in the last three years preceding the date of this Red Herring Prospectus

Date of transfer	Name of transferor	Name of transferee	of Equity shares	Price Per Equity Share (₹)	Nature of transaction	Total Consideration
NA						

#### Weighted average cost of acquisition & Issue price:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor Price* (i.e. ₹ [●])	Issue price* (i.e. ₹ [●])
Weighted average cost of acquisition of primary / new issue as per paragraph 8(a) above.	NA^	NA^	NA^
Weighted average cost of acquisition for secondary sale / Acquisition as per paragraph 8(b) above.	53.1	[●]	[●]
Weighted average cost of acquisition of primary issuances / secondary transactions as per paragraph 8(c) above	NA^	NA^	NA^

Note:

^There were no primary/ new issue of shares (equity/ convertible securities) as mentioned in paragraph 8(a) above, in last 18 months from the date of this Red Herring Prospectus.

^^There were no other secondary sale/ acquisitions as mentioned in paragraph 8(b) above, in last 18 months from the date of this Red Herring Prospectus.

\* To be updated at Prospectus stage.

This 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 daily newspaper and all editions of Business Standard, a Hindi national daily newspaper and Bengali edition of Ekdin, a regional newspaper each with wide circulation where the registered office of the company is situated.

The 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 121, 27 and 167 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.