

## **BASIS FOR OFFER 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 34, 130 and 186 and 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/ Offer 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 Offer Price is 13.4 times of the face value at the lower end of the Price Band and 14.1 times of the face value at the upper end of the Price Band.

For the purpose of making an informed investment decision, the investors should also refer “**Risk Factors**”, “**Our Business**” and “**Financial Statement as restated**” beginning on page 34, 130 and 186 respectively of this Red Herring Prospectus.

### **QUALITATIVE FACTORS**

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

- a) Sustainable and Eco-friendly business model focusing on three R's of the environment – Reduce, Reuse and Recycle.
- b) Stringent quality control mechanism ensuring standardized product quality
- c) Strategically located in-house manufacturing capabilities with design expertise.
- d) Long standing association with customers.
- e) Widespread reach in International Market
- f) Healthy financial performance
- g) Experienced and Qualified Management

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 130 of this 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 186 of this Red Herring Prospectus.

Some of the quantitative factors which may form the basis for calculating the Offer Price are as follows:

#### **1. Basic & Diluted Earnings per share (EPS) (Face value of ₹ 10 each):**

As per the Restated Financial Statements:

<b>Sr. No</b>	<b>Period</b>	<b>Basic &amp; Diluted (₹)</b>	<b>Weights</b>
1.	Financial Year 2022-2023	11.66	1
2.	Financial Year 2023-2024	13.97	2
3.	Financial Year 2024-2025	11.64	3
	<b>Weighted Average</b>	<b>12.42</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 ₹ 134 to ₹ 141 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 Financial Year 2024-2025	11.51	12.11
P/E ratio based on the Weighted Average EPS, as restated.	10.79	11.35

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

Sr. No	Period	RoNW (%)	Weights
1	Financial Year 2022-2023	38.40%	1
2	Financial Year 2023-2024	31.50%	2
3	Financial Year 2024-2025	21.28%	3
	<b>Weighted Average</b>	<b>27.54%</b>	<b>6</b>

**Note:**

- i. *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*
- ii. *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	Outstanding at the end of the year	(in ₹ )
1.	As at March 31, 2023	30.36	
2.	As at March 31, 2024	44.33	
3.	As at March 31, 2025	54.68	
4.	NAV per Equity Share after the Offer		
	I. Floor Price	71.46	
	II. Cap Price	72.94	
5.	Offer Price	[●]	

**Notes: -**

- 1. *NAV per share = Restated Net worth at the end of the year/period divided by Weighted average number of equity shares outstanding at the end of the year/ period.*
- 2. *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.*
- 3. *Offer 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:**

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 June 28, 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 Das & Prasad, Chartered Accountants, by their certificate dated June 28, 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 130 and 240 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 utilization of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Offer 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	FY 2024-25	FY 2023-24	FY 2022-23
Revenue from operations <sup>(1)</sup>	26928.70	27218.58	30366.06
EBITDA <sup>(2)</sup>	2999.05	3394.29	3056.98
EBITDA Margin <sup>(3)</sup>	11.14%	12.47%	10.07%
PAT	1882.25	2258.90	1885.68
PAT Margin <sup>(4)</sup>	6.99%	8.30%	6.21%
Net Worth <sup>(5)</sup>	8844.51	7170.03	4911.14
Return on Net Worth <sup>(6)</sup>	21.28%	31.50%	38.40%
RoCE (%) <sup>(7)</sup>	21.14%	26.45%	29.97%

\*Not Annualized

#### Notes:

<sup>(1)</sup>Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements

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

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

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

<sup>(5)</sup> Net worth means the aggregate value of the paid-up share capital and reserves and surplus of the company.

<sup>(6)</sup> Return on Net Worth is ratio of Profit after Tax and Net Worth.

<sup>(7)</sup>Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders’ equity plus total borrowings {current & non-current}.

#### 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.
Return on Net Worth (%)	Return on Net worth 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 peers:**

There are no listed companies in India that is engaged in only in the business of manufacturing bags. 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)

There has been no issuance of Equity Shares, other than Equity Shares issued pursuant to a bonus issue on August 20, 2024 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-Offer 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. (“Primary Issue”):

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

There have been no secondary sale/ acquisitions of Equity Shares, where the promoters, members of the promoter group, Promoter selling shareholders 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-offer 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. (“Secondary Transaction”).

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:**

Date of Allotment	No. of equity shares allotted	Face value	Issue Price per equity shares (₹)	Nature of Allotment	Nature of consideration	Total Consideration (in ₹ lakhs)
August 20, 2024	1,50,19,992	10/-	Nil	Bonus Issue in the ratio of 13:1	Other than cash	Nil

**Secondary Transactions:**

Date of Transfer	Name of transferor	Name of transferee	No. of equity shares allotted	Face Value	Issue Price per equity shares (₹)	Nature of Allotment	Nature of consideration	Total Consideration
April 01, 2022	M/s SG Venture	Saurabh Saraogi	1,11,100	10/-	10	Transfer of shares pursuant to dissolution of AOP SG Venture	Other than Cash	11,11,000

April 01, 2022	M/s Saraogi & Co.	Saurabh Saraogi	70,980	10/-	10	Transfer of shares pursuant to dissolution of AOP Saraogi & Co.)	Other than Cash	7,09,800
April 01, 2022	M/s Saraogi & Co.	Gunjal Saraogi	1,03,890	10/-	10	Transfer of shares pursuant to dissolution of AOP Saraogi & Co.)	Other than Cash	10,38,900
April 01, 2022	M/s SS Associates	Sudarshan Saraogi (HUF)	70,000	10/-	10	Transfer of shares pursuant to dissolution of AOP SS Associates	Other than Cash	700,000

d) 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. ₹ 134)	Cap price* (i.e. ₹ 141)
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.	NA^^	NA^^	NA^^
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 8(c) above.	0.23	582.61 times	613.04 times

<sup>^</sup>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.

<sup>^^</sup>There were no secondary transaction of shares 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.

**Detailed explanation for Offer Price/ Cap Price being 613.04 times of WACA of primary issuances/ secondary transactions of Equity Shares (as disclosed above) along with our Company's KPIs and financial ratios for Fiscals 2025, 2024 and 2023:**

1. For the fiscal 2025, we supplied to customers spanning across more than 27 countries which mitigates geographical concentration risks. During the Fiscal 2025, we have supplied to 87 clients in more than 27 countries which was instrumental in an effective supply-chain management and helped augment our sales across geographies.
2. As on June 30, 2025, we have an outstanding order book for supply for cotton and jute bags worth Rs 8809.67 lakhs from around 63 number of customers.
3. Our promoters Sudarshan Saraogi, Saurabh Saraogi, Shradha Saraogi and Gunjal Saraogi, have around 26 years, 22 years 12 years and 8 years of experience respectively, in the field of manufacturing of bags.

**Explanation for the Offer Price/Cap Price, being 613.04times of WACA of primary issuances/ secondary transactions of Equity Shares (as disclosed above) in view of the external factors which may have influenced the pricing of the Issue.**

1. The Indian cotton bag market is expanding due to rising environmental awareness and the demand for biodegradable and reusable alternatives to plastic bags. ("Marketysers Report")
2. Government initiatives, such as the ban on single-use plastics, have accelerated the shift towards cotton bags, driving the market's growth. ("Marketysers Report")
3. Sustainable Packaging Market is expected to grow at a 6.69% CAGR (2025-34) globally, and at a CAGR (2025-34) of 26.7% in Indian Market. ("Marketysers Report")
4. The Global Shopping Bag market is expected to grow at a CAGR of 3.14% in terms of value to reach USD 23.168 Billion in 2033 from USD 17.580 Billion in 2024. ("Marketysers Report")

Ecoline Exim Limited is a Book Built Offer and the pre-Offer and price band advertisement for the same shall be published 2 working days before opening of the Offer in all editions of the English national newspaper Business Standard, all editions of Hindi national newspaper Business Standard and Kolkata Edition of Regional newspaper, Ekdin, where the registered office of the company is situated each with wide circulation.

#### **The Offer Price of ₹ [●] times of the face value of the Equity Shares**

The Offer Price of ₹ [●] shall be determined by our Company in consultation with the BRLM in accordance with the SEBI ICDR Regulations, and on the basis of market demand from investors for Equity Shares, as determined through the Book Building Process, and is justified in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information along with “***Our Business***”, “***Risk Factors***” and “***Restated Financial Statements***” on pages 130, 34 and 186 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.