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APRAMEYA ENGINEERING LIMITED



CIN: U51909GJ2021PLC128294

Our Company was originally formed as a partnership firm in the name and style of “M/s. Aprameya Engineering” pursuant to a deed of partnership dated September 05, 2003, registered as on August 13, 2004 vide Registration certificate issued by Registrar of Firms, Ahmedabad City, Ahmedabad having Registered No. GUJ/AMS/36352 under the provisions of the Indian Partnership Act, 1932. Subsequently, our Company was incorporated pursuant to a certificate of incorporation dated December 28, 2021 issued by the Registrar of Companies, Central Registration Centre following the conversion of the partnership firm “M/s. Aprameya Engineering” to a Private Limited Company. Further, pursuant to special resolution passed by the shareholders of the Company at the Extra Ordinary General Meeting, held on April 22, 2022, our Company was converted into a Public Limited Company and consequently the name of our Company was changed from “Aprameya Engineering Private Limited” to “Aprameya Engineering Limited” vide a fresh certificate of incorporation consequent upon conversion dated May 12, 2022, issued by the Registrar of Companies, Ahmedabad, Gujarat bearing CIN: U51909GJ2021PLC128294.

Registered Office: 908, 9th Floor, Venus Atlantis Corporate Park, Anandnagar, Prahladnagar, Ahmedabad, Gujarat-380015 India.
Tel No: +91-079-40068827; **E-mail:** cs@aelhealth.com; **Website:** www.aelhealth.com; **CIN:** U51909GJ2021PLC128294
Contact Person: Sanjoly Alkesh Jalan, Company Secretary & Compliance Officer

OUR PROMOTERS: SAURABH KISHORBHAI BHATT, CHETAN MOHAN JOSHI, POOJA SAURABH BHATT AND ARCHANA CHETAN JOSHI

“THE ISSUE 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 SME PLATFORM OF NSE.”

We are engaged in the business of installation, set up & maintenance of Intensive Care Units (“ICU”), Neonatal Intensive Care Units (“NICU”), Pediatric Intensive Care Units (“PICU”), Operation Theatre and prefabricated structure ward (hereinafter referred to as “Healthcare Infrastructure projects”) in the hospitals and medical care centres on turnkey basis.

THE ISSUE

INITIAL PUBLIC OFFER OF UPTO 50,40,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE “EQUITY SHARES”) OF APRAMEYA ENGINEERING LIMITED (“OUR COMPANY” OR “THE ISSUER”) AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF [●] PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹[●] LAKHS (“PUBLIC ISSUE”) OUT OF WHICH 2,54,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 47,86,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹[●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹[●] LAKHS IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.47% AND 25.14% RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

- **QIB PORTION:** NOT MORE THAN 50.00% OF THE NET ISSUE
 - **NON-INSTITUTIONAL PORTION:** NOT LESS THAN 15.00% OF THE NET ISSUE
- **RETAIL PORTION:** NOT LESS THAN 35.00% OF THE NET ISSUE
 - **MARKET MAKER PORTION:** UPTO 2,54,000 EQUITY SHARES OR 5.04% OF THE ISSUE

PRICE BAND: RS. 56 TO RS. 58 PER EQUITY SHARE OF FACE VALUE RS. 10/- EACH
THE FLOOR PRICE IS 5.6 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 5.8 TIMES OF THE FACE VALUE OF THE EQUITY SHARES.S
BIDS CAN BE MADE FOR A MINIMUM OF 2000 EQUITY SHARES AND IN MULTIPLES OF 2000 EQUITY SHARES THEREAFTER.

RISKS TO INVESTORS

- Loss of any of our key customers or significant reduction in demand from, our significant customers may materially and adversely affect our business and financial performance
- Many of our work orders are awarded primarily through competitive bidding processes. There is no assurance that future contracts will be awarded to us by these customers. Also, the tenders floated by the government agencies have terms that are suitable to such agencies. This may result in an adverse effect on our business growth, financial and results of operations
- The Merchant Banker associated with the Issue has handled 51 public issues in the past three years out of which 2 Issue closed below the Issue Price on listing date.
- Average cost of acquisition of Equity Shares held by the Individual Promoters is

Sr. No.	Name of the Promoters	Average cost of Acquisition (in ₹)
1.	Saurabh Kishorbhai Bhatt	5.07
2.	Chetan Mohan Joshi	5.07
3.	Archana Chetan Joshi	0.00
4.	Pooja Saurabh Bhatt	0.00

- and the Issue Price at the upper end of the Price Band is Rs. 58 per Equity Share.
- The Price/ Earnings ratio based on Diluted EPS for Fiscal 2024 for the company at the upper end of the Price Band is 23.48
 - Weighted Average Return on Net worth for Fiscals 2024, 2023 and 2022 is 35.44%.

- The Weighted average cost of acquisition of all Equity Shares transacted in the last 1 year, 18 months and 3 years from the date of RHP is as given below:

Period	Weighted Average Cost of Acquisition (in Rs.)	Upper end of the Price Band (Rs. 58) is “X” times the weighted Average cost of Acquisition	Range of acquisition price: Lowest Price – Highest Price (in Rs.)
Last 1 year	Nil	Nil	Nil
Last 18 months	Nil	Nil	Nil
Last 3 years	5.00	11.6	0-10

- The Weighted average cost of acquisition compared to Floor Price and Cap Price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor Price (i.e. ₹ 56)	Cap Price (i.e. ₹ 58)
WACA of primary issuance (exceeding 5% of the pre issue capital)	NA^	NA^	NA^
WACA for secondary sale / acquisition (exceeding 5% of the pre issue capital)	NA^	NA^	NA^
Weighted average cost of acquisition of primary issuances/ secondary transactions as per paragraph 8(c) above	5.00	11.2 times	11.6 times

Note:

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

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 28, 98 and 146 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 5.6 times of the face value at the lower end of the Price Band and 5.8 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:

- Rapid growth in the business with focus on setting up of healthcare infrastructure.
- Track record of execution capabilities of setting up ICUs NICUs PICUs as well as Operation Theatre.
- Firm arrangement with many medical equipment suppliers and manufacturers.
- Wide customer base including many Private and Government Hospital /Medical college.
- Experienced Promoters with technical team having domain knowledge.
- Asset light scalable business model.

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 98 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 146 of the Red Herring Prospectus.

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

- Basic and Diluted Earnings Per Share (“EPS”) at face value of Rs. 10/-, as adjusted for change in capital:**
As per the Restated Financial Statements and as adjusted for change in capital:-

Sr. No	Period	Basic & Diluted (Rs.)	Weights
1.	FY 2021-22	11.87	1
2.	FY 2022-23	3.84	2
3.	FY 2023-24	2.47	3
	Weighted Average	4.49	

Notes:

- The figures disclosed above are based on the Restated Financial Statements of the Company as adjusted for change in capital.
- The face value of each Equity Share is Rs.10.00.
- Earnings per Share has been calculated in accordance with Ind AS 33 – “Earnings per Share” issued by the Institute of Chartered Accountants of India.
- 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
- 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.

- Price Earning (P/E) Ratio in relation to the Price Band of Rs. 56 to Rs. 58 per Equity Share of Face Value of Rs 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 FY 2023-24	22.67	23.48
P/E ratio based on the Weighted Average EPS, as restated.	12.47	12.92

- Industry Peer Group P/E ratio**

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

- Return on Net worth (RONW) ***

Sr. No	Period	RONW (%)	Weights
1	F.Y. 2021-22	114.38	1
2	F.Y. 2022-23	26.95	2
3	F.Y. 2023-24	14.79	3
	Weighted Average	35.44	

* Restated Profit after tax /Net Worth

Note:

- The RoNW has been computed by dividing net profit after tax (excluding exceptional items) with restated Networkth.
- The company was originally formed as a partnership firm in the name of M/s Aprameya Engineering. Subsequently, the partnership firm was converted to the Company pursuant to a certificate of incorporation dated December 28, 2021 issued by the ROC. The shares were issued at par against the fixed capital of partners outstanding as on date of conversion i.e. 27.12.2021. The current capital portion of the Partners capital was transferred to unsecured loan from directors pursuant to conversion into Company.

- Net Asset Value (NAV) per Equity Share:**

Sr. No.	NAV per Equity Share	(Amt. in Rs.)
1.	As on March 31, 2024	16.69
2.	As on March 31, 2023	14.23
3.	As on March 31, 2022	10.38
5.	NAV per Equity Share after the Issue	
	i) At Floor Price	27.10
	ii) At Cap Price	27.63
6.	Issue Price	[•]

Net Asset Value per equity share represents net worth as at the end of the fiscal year divided by the number of Equity Shares outstanding at the end of the year.

- Comparison of Accounting Ratios with Industry Peers:**

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

- 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 herein have been certified by CNK & Associates LLP, Chartered Accountants, by their certificate dated July 13, 2024.

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 98 and 205, 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 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 Regulations.

Key Performance Indicators of our Company

(All amounts in Rs. Lakhs)

Key Financial Performance	For the year		
	31-Mar-24	31-Mar-23	31-Mar-22
Revenue from operations ⁽ⁱ⁾	6,516.23	7,811.91	19,999.46
EBITDA ⁽ⁱⁱ⁾	593.07	874.63	2475.41
EBITDA Margin ⁽ⁱⁱⁱ⁾	9.10%	11.20%	12.38%
PAT ^(iv)	345.67	536.92	1,661.91
PAT Margin ^(v)	5.30%	6.87%	8.31%
RoE(%) ^(vi)	15.97%	31.17%	182.04%
RoCE (%) ^(vii)	9.60%	18.22%	88.38%

Notes:

(1) Revenue from operation means revenue from sales and other operating revenues

(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 is calculated as Profit before tax – Tax Expenses

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

(6) Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

(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).

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 business.
RoE(%)	RoE provides how efficiently Company generates profits from shareholders’ funds.
RoCE (%)	RoCE provides how efficiently Company generates earnings from the capital employed in the business.

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 engage in a business similar to that of our Company.

Accordingly, it is not possible to provide a comparison of key performance indicators of listed industry peers with our Company.

Weighted average cost of acquisition

- 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 the 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.

- 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 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.

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 irrespective of the size of transactions, is as below:

Primary Transaction

Date	Shares allotted	Face Value	Issue Price	Nature of allotment	Nature of consideration	Total consideration
December 28, 2021	70,00,000	10	10	On incorporation	Cash	7,00,00,000
August 06, 2022	70,00,000	10	Nil	Bonus Issue	Nil	-
	1,40,00,000					