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# GLOBAL SURFACES LIMITED

Our Company was incorporated under the provisions of the Companies Act, 1956 as "Swastic Niwas Private Limited" on August 23, 1991, as a private limited company vide Certificate of Incorporation issued by Registrar of Companies, West Bengal. Subsequently, the name of our Company was changed to "Global Stones Private Limited" pursuant to Special Resolution passed by the shareholders of our Company at their Extra-Ordinary General Meeting held on May 17, 2004 and a fresh Certificate of Incorporation was issued by the Registrar of Companies, West Bengal on May 26, 2004. Subsequently, the name of our Company was changed to "Global Surfaces Private Limited" pursuant to a Special Resolution passed by the shareholders of our Company at the Extra-Ordinary General Meeting held on October 07, 2021 and a fresh Certificate of Incorporation dated October 20, 2021 was issued by the Registrar of Companies, Jaipur. Thereafter, our Company was converted into a public limited company and the name was changed to "Global Surfaces Limited" pursuant to Special Resolution passed by the shareholders of our Company at the Extra-Ordinary General Meeting held on October 07, 2021 and a fresh Certificate of Incorporation dated October 21, 2021 was issued by the Registrar of Companies, Jaipur. In the year 2021, the registered office of our Company has been shifted from Kolkata, West Bengal to Jaipur, Rajasthan pursuant to Certificate of Registration of Regional Director order for Change of State dated January 15, 2021. For details in relation to the change in our Registered office of our Company, see "History and Certain Corporate Matters" beginning on page 210 of the Red Herring Prospectus ("RHP").

Registered office: Plot No. PA-10-006 Engineering and Related Industries SEZ, Mahindra World City Tehsil-Sanganer Jaipur-302037, Rajasthan. | Telephone: 0141-7191000 | Email: cs@globalsurfaces.in | Website: www.globalsurfaces.in |  
Contact Person: Aseem Sehgal, Company Secretary and Compliance Officer; Corporate Identity Number: U14100RJ1991PLC073860



## OUR PROMOTER: MAYANK SHAH

INITIAL PUBLIC OFFER OF UP TO 11,070,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH ("EQUITY SHARES") OF GLOBAL SURFACES LIMITED ("COMPANY") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLIONS COMPRISING A FRESH ISSUANCE OF UP TO 8,520,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLIONS BY OUR COMPANY ("FRESH OFFER") AND AN OFFER FOR SALE OF UP TO 2,550,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLIONS BY MAYANK SHAH AND SWETA SHAH ("SELLING SHAREHOLDERS") AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS, THE "OFFERED SHARES") (SUCH OFFER BY THE SELLING SHAREHOLDERS, THE "OFFER FOR SALE" AND TOGETHER WITH THE FRESH OFFER, THE "OFFER"). THE OFFER SHALL CONSTITUTE [●] % OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

OFFER FOR SALE			
Name of Selling Shareholders	Type	No. of Equity Shares Offered	Weighted Average Price Per Equity Share (in ₹)*
Mayank Shah	Promoter	Up to 1,400,000 Equity Shares	NIL
Sweta Shah	Promoter Group	Up to 1,150,000 Equity Shares	NIL

\*As certified by B. Khosla & Co. by way of their certificate dated February 11, 2023.

The Offer is being made in accordance with Regulation 6(1) of the SEBI ICDR Regulations.

QIB CATEGORY: NOT MORE THAN 50% OF THE OFFER | NON INSTITUTIONAL INVESTOR CATEGORY: NOT LESS THAN 15% OF THE OFFER | RETAIL CATEGORY: NOT LESS THAN 35% OF THE OFFER

PRICE BAND: ₹ 133 TO ₹ 140 PER EQUITY SHARE OF FACE VALUE OF ₹ 10 EACH.

THE FLOOR PRICE IS 13.3 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 14.0 TIMES OF THE FACE VALUE.

BIDS CAN BE MADE FOR A MINIMUM OF 100 EQUITY SHARES AND IN MULTIPLES OF 100 EQUITY SHARES THEREAFTER.

In accordance with the recommendation of committee of Independent Directors of our Company, pursuant to their resolution dated March 01, 2023 the above provided price band is justified based on quantitative factors/KPIs disclosed in the 'Basis for Offer Price' section of the RHP vis-a-vis the WACA of Primary and Secondary transaction(s) disclosed in 'Basis for Offer Price' section on page 129 of the RHP.

## RISKS TO INVESTORS

### 1. Select financial ratios:

Particulars	P/E at the Floor Price (number of times)*	P/E at the Cap Price (number of times)*
Market Capitalisation/Earnings (FY 22)	12.64	13.31
Market Capitalisation/Total income (FY 22)	2.27	2.39
Enterprise Value/EBITDA (FY 22)	11.60	12.17
P/E Ratio	12.64	13.31

\*The Offer Price, multiples and ratios may not be indicative of the market price of the Equity Shares on listing or thereafter.

### 2. RISK FACTORS ASSOCIATED WITH OUR COMPANY

a. *We are dependent on a few customers for a major part of our revenues. Further we do not enter into long-term arrangements with our customers and any failure to continue our existing arrangements could adversely affect our business and results of operations.*

Our sales are concentrated to a few customers with our top 3 customers contributing 67.38%, 73.08%, 65.41% and 60.11% respectively and our top 10 customers contributing 83.63%, 86.04%, 82.77% and 83.14% respectively, of our revenues during the Fiscal 2020, 2021 and 2022 and the period ended September 30, 2022, respectively.

b. *We do not have long-term agreements with our suppliers for raw materials and an inability to procure the desired quality, quantity of our raw materials in a timely manner and at reasonable costs, or at all, may have a negative impact on our business, results of operations, financial condition and cash flows.*

Our purchases of raw materials are concentrated from a few suppliers with our top 10 suppliers contributing 67.01%, 67.95%, 76.99% and 66.38% of the total purchases of raw materials during the Fiscal 2020, 2021 and 2022 and the period ended September 30, 2022, respectively. The top 3 domestic suppliers contributed 44.05%, 33.91%, 43.71% and 41.99% and top 3 foreign suppliers contributed 0.24%, Nil, 1.16% and Nil of the total purchases of raw materials during the Fiscal 2020, 2021 and 2022 and the period ended September 30, 2022, respectively.

c. *Major portion of our revenues are derived from exports to the United States of America and any adverse developments in this market or restrained economic or political relations of India with the United States of America could adversely affect our business.*

We have historically derived a significant portion of our revenues from exports to the United States of America. In Fiscal 2022 and period ended September 30, 2022, the revenue generated from exports to the USA represented 99.13% and 94.85% respectively of our operating revenue.

d. *Under-utilization of our production capacities could have an adverse effect on our business, future prospects and future financial performance.*

As of September 30, 2022, we are operating out of two Units in Jaipur, Rajasthan with an aggregate estimated installed production capacity of 4,71,164 sq. mtr. per annum for natural stones and 5,21,643 sq. mtr. per annum for engineered quartz. In Fiscals 2020, 2021 and 2022, our overall capacity utilization for natural stones was 63%, 57.20% and 28.74%, respectively and for engineered quartz was 70.38%, 64.01% and 68.96%, respectively.

e. *Our business is working capital intensive. If we experience insufficient cash flows from our operations or are unable to borrow to meet our working capital requirements, it may materially and adversely affect our business and results of operations.*

There can be no assurance that we will be able to effectively manage our working capital. Should we fail to effectively implement sufficient internal control procedures and management systems to manage our working capital and other sources of financing, we may have insufficient capital to maintain and grow our business and we may breach the terms of our financing agreements with banks, face claims under cross-default provisions and be unable to obtain new financing, any of which would have a material adverse effect on our business, results of operations, financial condition and cash flows.

3. Average cost of acquisition per Equity Share by our Selling Shareholders namely, Mayank Shah is ₹ 2.46\* and Sweta Shah is ₹ 0.60\* and Offer Price at upper end of the Price Band is ₹ 140 per Equity Share.

\*As certified by B. Khosla & Co. by way of their certificate dated June 17, 2022.

4. Weighted Average Return on Net Worth for fiscals 2022, 2021 and 2020 is 30.20% and as on September 30, 2022 is 9.12% (Not Annualised).

5. The weighted average cost of acquisition of all Equity Shares acquired in last three years, 18 months and one year preceding the date of the RHP by are as follows:

Period	Weighted Average Cost of Acquisition (in ₹)	Upper end of the Price band (₹ 140) is 'x' times the Weighted Average Cost of Acquisition	Range of acquisition price: Lowest Price - Highest Price (in ₹)
Last 1 year	Nil	NA	0-0
Last 18 months	31.43	4.45	31.43-31.43*
Last 3 years	31.43	4.45	31.43-31.43*

Note:

\*The weighted average cost of acquisition has been calculated after considering the number of all the equity shares transacted in last 3 years and adjusting issue of bonus shares.

6. Weighted average cost of acquisition, floor price and cap price:

Type of transactions	Weighted Average Cost of Acquisition (in ₹)	Floor Price (i.e ₹ 133)	Cap Price (i.e ₹ 140)
Weighted average cost of acquisition (WACA) of Primary issuances 18 month prior to RHP	NA*	NA*	NA*
Weighted average cost of acquisition (WACA) of secondary transactions 18 month prior to RHP	31.43 ^	4.23 ^	4.45 ^

Note:

\*There were no primary / new issue of shares (equity/ convertible securities) transactions, other than equity shares issued pursuant to a bonus issue on March 26, 2022, in last 18 months from the date of the Red Herring Prospectus.

^ There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities, where the Promoter, members of the Promoter Group or the Selling Shareholders are a party to the transaction (excluding gifts), 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-offer capital before such transaction/s), in a single transaction or multiple transactions combined together over a span of rolling 30 days. Since there are no such transaction to report to under (a) and (b), the following are the details based on the last five primary or secondary transactions (secondary transactions where Promoter or members of the Promoter Group or Selling Shareholders are a party to the transaction), not older than three years prior to the date of the Red Herring Prospectus irrespective of the size of transactions.

7. The BRLM associated with the Offer has handled 7 public issues in the past three years, out of which 1 issue closed below the issue price on listing date.

Notes to select financial ratio mentioned in Risk to Investor 1:

- Total income is for the year ended March 31, 2022.
- EBITDA refers to earnings before interest, taxes, depreciation, amortisation, gain or loss from discontinued operations and exceptional items. EBITDA excludes other income but includes reversal. EBITDA has been derived from the restated financial information of the company for the year ended March 31, 2022.
- Market Capitalization refers to the total value of our company's equity shares. It has been calculated by multiplying the respective price per share with total number of outstanding shares of our company as on March 31, 2022.
- Enterprise Value = Market Cap as explained above plus Net debt as on March 31, 2022.
- Earnings refers to Profit for the year ended March 31, 2022.
- P/E Ratio has been computed based on the respective price per Equity Share divided by Basic/ Diluted EPS as on March 31, 2022.

Investors should read the RHP carefully, including the "Risk Factors" on page 33 of the RHP before making any investment decision.

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BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholders, in consultation with the BRLM, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the quantitative and qualitative factors described below. The face value of the Equity Shares is Rs. 10/- each and the Offer Price is 13.3 times the face value at the lower end of the Price Band and 14.0 times the face value at the upper end. Investors should also refer to "Our Business", "Risk Factors", "Restated Financial Statements" and "Managements Discussion and Analysis of Financial Position and Results of Operations" on pages 181, 33, 246 and 300, respectively, of the RHP to have an informed view before making an investment decision.

Qualitative factors

Some of the qualitative factors which form the basis for computing the Offer Price are:

- Wide product portfolio and multiple designs
- Established presence in international markets
- Experienced and suit oriented Promoter
- Synergy of young and experienced management team with a committed employee base
- Effective quality checks thereby reducing loss.
- R&D set up for new product development.

For further details, see "Our Business - Strengths" on page 184 of the RHP.

Quantitative factors

Some of the information presented below relating to our Company is derived from the Restated Financial Statements.

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

I. Basic and diluted earnings per share ("EPS")

Fiscal	Basic and Diluted EPS (₹)	Weight
Fiscal 2022	10.52	3
Fiscal 2021	10.02	2
Fiscal 2020	6.19	1
Weighted Average	9.63	
For the period ended September 30, 2022*	4.01	

\* Not annualized

Notes:

1. Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. sum of (EPS x Weight) for each year / Total of weights.
2. Basic and diluted EPS are based on the Restated Financial Information.
3. The face value of each Equity Share is ₹10.
4. Earnings per Share (EPS) = Profit after tax excluding exceptional items before other comprehensive income attributable to equity shareholders for the year/period divided by the weighted average no. of equity shares during the respective year/period.
5. Earnings per Share calculations are in accordance with the notified Indian Accounting Standard 33 Earnings per share.
6. The figures disclosed above are based on the Restated Consolidated Summary Statements.
7. Pursuant to a resolution of Board of Directors dated March 26, 2022, the Company has issued 3 bonus shares of face value ₹ 10 each for every 4 existing fully paid-up equity share of face value ₹ 10 each. The impact issue of bonus shares are retrospectively considered for the computation of basic and diluted per equity share as per the principles of Ind AS 33.

II. Price/Earning ("P/E") ratio in relation to Price Band of ₹ 133/- to ₹ 140/- per Equity Share:

Particulars	P/E at the Floor Price (number of times)*	P/E at the Cap Price (number of times)*
P/E ratio based on Basic EPS for Fiscal 2022	12.64	13.31
P/E ratio based on Diluted EPS for Fiscal 2022	12.64	13.31

Industry Peer Group P/E Ratio

We believe that there is only one industry peer engaged exclusively in the segment which we operate. Accordingly, it is not possible to provide comparable ratio of an industry in relation to our Company.

III. Return on Net Worth ("RoNW")

Derived from the Restated Financial Statements:

Fiscal	RoNW (%)	Weight
Fiscal 2022	26.59	3
Fiscal 2021	34.47	2
Fiscal 2020	32.51	1
Weighted Average	30.20	
For the period ended September 30, 2022*	9.12	

\* Not annualized

Notes:

1. Weighted Average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. sum of (RoNW x Weight) for each year / Total of weights.
2. The figures disclosed above are based on the Restated consolidated Financial Statements of our Company.
3. Return on Net Worth (%) = Restated Consolidated Profit/(loss) attributable to owners of the holding company/ net worth at the end of the year/ period.
4. Net-worth, as restated at the end of the relevant period (Equity attributable to the owners of the company, excluding non-controlling interest)

IV. Net asset value per Equity Share (face value of ₹ 10 each)

Net Asset Value per Equity Share derived from the Restated Financial Statements:

Particulars*	Amount (₹ in Million)
Net Asset Value per Equity Share as of September 30, 2022*	43.98
Net Asset Value per Equity Share as of March 31, 2022	39.58
After completion of the Offer	
(i) At Floor price	61.88
(ii) At Cap Price	63.29
Offer Price per equity share	[●]

\* Not annualized

Notes:

1. Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares at the end of the year. Net worth represents aggregate value of equity share capital, instruments entirely equity in nature and other equity and are based on Restated Financial Information.
2. Pursuant to a resolution of Board of Directors dated March 26, 2022, the Company has issued 3 bonus shares of face value ₹ 10 each for every 4 existing fully paid-up equity share of face value ₹ 10 each. The impact issue of bonus shares are retrospectively considered for the computation of net asset value per equity share as per the principles of Ind AS 33.

V. Comparison with listed industry peer:

Following is the comparison with our peer companies listed in India:

For the year ended March 31, 2022						
Name of the Company	Face value (₹)	Revenue from operations (₹ in Mn)(1)	Basic EPS (₹)(2)	Diluted EPS (₹)(3)	P/E (based on Diluted EPS) (2)	Return on average net worth (%) (3)
Global Surfaces Limited	10	1903.13	10.52	10.52	[●]	26.59
Peer Group						
Pokarna Limited	2	6501.91	25.25	25.25	29.53	17.67

Source: All the financial information for listed industry peers mentioned above is on a consolidated basis sourced from the Annual Reports of the peer company uploaded on the BSE website for the year ended March 31, 2022.

Notes:

1. P/E Ratio has been computed based on the closing market price of equity shares on the BSE on March 31, 2022 divided by the Diluted EPS.
  2. RoNW is computed as net profit after tax divided by the closing net worth. Net worth has been computed as sum of share capital and reserves and surplus.
  3. NAV is computed as the closing net worth divided by the closing outstanding number of equity shares.
- Investors should read the above mentioned information along with "Risk Factors", "Our Business", Management Discussion and Analysis of Financial Position and Results of Operations" and "Financial Information" on pages 33, 181, 300 and 246, respectively, of the RHP to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the "Risk Factors" and you may lose all or part of your investments.

VI. Key financial and operational performance indicators ("KPIs")

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of various verticals.

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 Offer Scheme, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated February 13, 2023 and the members of the Audit Committee have verified the details of all KPIs pertaining to the 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 the RHP. Further, the KPIs herein have been certified by B. Khosla & Co., Chartered Accountants, by their certificate dated February 14, 2023.

Financial KPI of our Company

Sr. No.	Metric	As of and for the six-month period ended September 30, 2022*		As of and for the Fiscal		
		2022	2021	2020	2021	2020
1	Revenue From operations (₹ in Millions)	979.78	1,903.13	1,753.71	1,632.91	
2	Total revenue (₹ in Millions)	992.48	1,983.57	1,790.03	1,657.80	
3	EBITDA (₹ in Millions)	192.30	418.04	474.33	403.16	
4	EBITDA Margin (%)	19.63%	21.97%	27.05%	24.69%	
5	Profit after tax (₹ in Millions)	135.88	356.34	339.32	209.64	
6	PAT Margin (%)	13.87%	18.72%	19.35%	12.84%	
7	Return on Equity (ROE) (%)	9.12%	26.59%	34.47%	32.51%	
8	Debt To Equity Ratio	0.34	0.28	0.38	0.83	
9	Interest Coverage Ratio	10.14	14.11	13.91	7.72	
10	Return on Capital Employed (ROCE) (%)	7.89%	20.85%	35.75%	32.95%	
11	Current Ratio	1.52	2.37	1.66	1.18	
12	Net Capital Turnover Ratio	2.47	2.84	5.04	18.20	

\* Not Annualised

Notes:

- a) As certified by B. Khosla & Co., Chartered Accountants pursuant to their certificate dated February 14, 2023, The Audit Committee in its resolution dated February 13, 2023 has confirmed that the Company has not disclosed any KPIs to any investors at any point of time during the three years preceding the date of the Red Herring Prospectus other than as disclosed in this section.
- b) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- c) EBITDA refers to earnings before interest, taxes, depreciation, amortisation, gain or loss from discontinued operations and exceptional items. EBITDA excludes other income but includes reversal of provision of doubtful debts.
- d) EBITDA Margin refers to EBITDA during a given period as a percentage of revenue from operations during that period.
- e) Net Profit Ratio/Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after tax before other comprehensive income by our revenue from operations.
- f) Return on equity (RoE) is equal to profit after tax for the year divided by the total equity during that period and is expressed as a percentage.
- g) Debt to equity ratio is calculated by dividing the debt (excluding lease liabilities) by total equity (which includes issued capital and all other equity reserves).
- h) Interest Coverage Ratio measures our ability to make interest payments from available earnings and is calculated by dividing EBITDA by finance cost payment.
- i) RoCE (Return on Capital Employed) (%) is calculated as profit before tax plus finance costs divided by total equity plus non-current liabilities.
- j) Current Ratio is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities.
- k) Net Capital Turnover Ratio quantifies our effectiveness in utilizing our working capital and is calculated by dividing our revenue from operations by our working capital (i.e., current assets less current liabilities).

See "Management Discussion and Analysis of Financial Position and Results of Operations" on page 300 of the RHP for the reconciliation and the manner of calculation of our key financial performance indicators.

Further, set forth below are some of our key operational performance indicators as of and for the periods indicated which have been approved our Audit Committee pursuant to its resolution dated February 13, 2023.

Operational KPIs for the Company

Sr. No.	Metric	As of and for the six-month period ended September 30, 2022		As of and for the Fiscal		
		2022	2021	2020	2021	2020
1	Operating Margin	53.46%	54.45%	59.00%	56.39%	
2	Power Cost Ratio	1.42%	2.12%	2.80%	3.09%	
3	COGS Ratio	46.67%	45.83%	41.20%	43.77%	
4	Inventory Turnover ratio	0.94	2.13	2.47	2.83	

- a) The operating margin (%) is equal to operating margin divided by revenue from operations. Operating margin is calculated by subtracting cost of material consumed, purchase of stock in trade and changed in inventories of finished goods and work-in-process from revenue from operations.
- b) The power cost ratio is equal to electricity expenses divided by revenue from sale of goods.
- c) The COGS ratio is equal to sum of cost of material consumed, purchase of stock in trade and changed in inventories of finished goods and work-in-process divided by revenue from sale of goods.
- d) The inventory turnover is calculated by dividing average inventory from sum of cost of material consumed, purchase of stock in trade and changed in inventories of finished goods and work-in-process.

Comparison of financial KPIs of our Company and our listed peer.

Sr. No.	Metric	Global Surfaces Limited		Pokarna Limited**		
		As at and for the six month ended Sept 2022	As of and for the Fiscal 2022	As at and for the six month ended Sept 2022	As of and for the Fiscal 2022	As of and for the Fiscal 2020
1	Revenue From operations (₹ in Millions)	979.78	1903.13	1753.71	1632.91	6501.91
2	Total revenue (₹ in Millions)	992.48	1983.57	1790.04	1657.80	6527.22
3	EBITDA (₹ in Millions)	192.30	418.04	474.33	403.16	1127.87
4	EBITDA Margin (%)	19.63%	21.97%	27.05%	24.69%	24.87%
5	Profit after tax (₹ in Millions)	135.88	356.34	339.32	209.64	524.98
6	PAT Margin (%)	13.87%	18.72%	19.35%	12.84%	11.55%
7	Return on Equity (ROE) (%)	9.12%	26.59%	34.47%	32.51%	10.63%
8	Debt To Equity Ratio	0.34	0.28	0.38	0.83	1.03
9	Interest Coverage Ratio	10.14	14.11	13.91	7.72	5.99
10	ROCE	7.89%	20.85%	35.75%	32.95%	7.89%
11	Current Ratio	1.52	2.37	1.66	1.18	1.53
12	Net Capital Turnover Ratio	2.47	2.84	5.04	18.20	3.16

\* Not Annualised

Notes:

- a) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- b) Gross Profit is calculated as Revenue from Operations less Cost of Materials consumed, Purchase of Traded goods, Changes in inventories of finished goods and work-in-progress.
- c) Gross margin refers to gross profit as a % of total revenues earned during a financial year.
- d) EBITDA refers to earnings before interest, taxes, depreciation, amortisation, gain or loss from discontinued operations and exceptional items. EBITDA excludes other income but includes reversal of provision of doubtful debts.
- e) EBITDA Margin refers to EBITDA during a given period as a percentage of revenue from operations during that period.
- f) Net Profit Ratio/Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes by our revenue from operations.

g) Return on equity (RoE) is equal to profit for the year divided by the total equity during that period and is expressed as a percentage.

- h) Debt to equity ratio is calculated by dividing the debt (i.e., borrowings (current and non-current) and current maturities of long-term-borrowings) by total equity (which includes issued capital and all other equity reserves).
- i) Interest Coverage Ratio measures our ability to make interest payments from available earnings and is calculated by dividing cash profit after tax plus interest payment by interest payment.
- j) RoCE (Return on Capital Employed) (%) is calculated as profit before tax plus finance costs divided by total equity plus non-current liabilities.
- k) Current Ratio is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities.
- l) Net Capital Turnover Ratio quantifies our effectiveness in utilizing our working capital and is calculated by dividing our revenue from operations by our working capital (i.e., current assets less current liabilities).
- m) Return on Net Worth (RoNW) is a measure of profitability (expressed in percentage) and is defined as net profit after tax attributable to our equity shareholders divided by our Net Worth (total shareholders' equity) for the year. "Net Worth" is defined as the aggregate of share capital and other equity.

\*\* All the information for listed industry peer mentioned above is on a consolidated basis and is sourced from their respective audited/unaudited financial results and/or annual report.

Comparison of Operational KPIs of our Company and our listed peer.

Sr. No.	Metric	Global Surfaces Limited		Pokarna Limited**		
		As at and for the six month ended Sept 2022	As of and for the Fiscal 2022	As at and for the six month ended Sept 2022	As of and for the Fiscal 2022	As of and for the Fiscal 2020
1	Operating Margin	53.46%	54.45%	59.00%	56.39%	NA
2	Power Cost Ratio	1.42%	2.12%	2.80%	3.09%	NA
3	COGS Ratio	46.67%	45.83%	41.20%	43.77%	NA
4	Inventory Turnover ratio	0.94	2.13	2.47	2.83	NA

Data of Operational KPIs of the Company's listed peer is either not available in the public domain or the basis and manner of calculation of the figures mentioned is not ascertainable and therefore, may not be an accurate comparison with the Company's information not available in a comparable manner, and hence not mentioned.

VII. Weighted average cost of acquisition ("WACA"), floor price and cap price

- a) The price per share of the 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 RHP, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company, in a single transaction or multiple transactions combined together over a span of 30 days.
- b) The price per share of the Company based on secondary sale/ acquisitions 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 or the Selling Shareholders are a party to the transaction (excluding gifts), 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-offer capital before such transaction/s), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

Since there are no such transaction to report to under (a) and (b), the following are the details based on the last five primary or secondary transactions (secondary transactions where Promoter or members of the Promoter Group or Selling Shareholders are a party to the transaction), not older than three years prior to the date of the Red Herring Prospectus irrespective of the size of transactions:

Primary Transactions:

Except as disclosed below, there have been no primary transactions in the last 18 months preceding the date of the RHP:

Date of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of allotment	Nature of consideration	Total Consideration (in ₹ million)
March 26, 2022	14,512,208	10	Nil	Bonus Issue	Other than cash	Nil

Weighted average cost of acquisition (WACA)

Nil

Secondary Acquisition:

Date of Transfer	Name of Transferor	Name of Transferee	No. of Securities*	Nature of Securities	Face value of Securities	Price of securities (₹)	Nature of transaction	Nature of consideration	Total Consideration (in ₹ millions)
September 28, 2021	R.S Associates	Mayank Shah	551,250	Equity Shares	10	31.43	Transfer	Cash	17.33
September 28, 2021	Mayank Shah	Sumangla Kachawa	87,500	Equity Shares	10	31.43	Transfer	Cash	2.75
September 28, 2021	Mayank Shah	Rajshree Kachawa	87,500	Equity Shares	10	31.43	Transfer	Cash	2.75
September 28, 2021	Mayank Shah	Stutee Agarwal	57,750	Equity Shares	10	31.43	Transfer	Cash	1.82
September 28, 2021	Mayank Shah	Bimal Kumar Agarwal	79,625	Equity Shares	10	31.43	Transfer	Cash	2.50
September 28, 2021	Mayank Shah	Karuna Devi Agarwal	79,625	Equity Shares	10	31.43	Transfer	Cash	2.50
September 28, 2021	Mayank Shah	Mudit Agarwal	79,625	Equity Shares	10	31.43	Transfer	Cash	2.50
September 28, 2021	Mayank Shah	Rashi Agarwal	79,625	Equity Shares	10	31.43	Transfer	Cash	2.50
September 28, 2021	Mayank Shah	Rajesh Gattani	175	Equity Shares	10	31.43	Transfer	Cash	0.01
September 28, 2021	Mayank Shah	Aseem Sehgal	175	Equity Shares	10	31.43	Transfer	Cash	0.01
September 28, 2021	Mayank Shah	Shrividya Kachawa	43,750	Equity Shares	10	31.43	Transfer	Cash	1.38

Weighted average cost of acquisition (WACA) #

31.43

Notes:

- a) Adjusted for bonus shares allotted in the ratio of three equity shares for every four equity share pursuant to allotment dated March 26, 2022.

Type of transactions	Weighted Average Cost of Acquisition (in ₹)	Floor Price (Le ₹ 133)	Cap Price (Le ₹ 140)
Weighted average cost of acquisition (WACA) of Primary issuances 18 month prior to RHP	NA*	NA*	NA*
Weighted average cost of acquisition (WACA) of secondary transactions 18 month prior to RHP	31.43 ~	4.23 ~	4.45 ~

Notes:

\*There were no primary / new issue of shares (equity/ convertible securities) transactions, other than equity shares issued pursuant to a bonus issue on March 26, 2022, in last 18 months from the date of the Red Herring Prospectus.

~ There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities, where the Promoter, members of the Promoter Group or the Selling Shareholders are a party to the transaction (excluding gifts), 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-offer capital before such transaction/s), in a single transaction or multiple transactions combined together over a span of rolling 30 days. Since there are no such transaction to report to under (a) and (b), the following are the details based on the last five primary or secondary transactions (secondary transactions where Promoter or members of the Promoter Group or Selling Shareholders are a party to the transaction), not older than three years prior to the date of the Red Herring Prospectus irrespective of the size of transactions.

VIII. The Offer Price is [●] times of the Face Value of the Equity Shares.

The Offer Price of ₹ [●] has been determined by our Company and the Selling Shareholders in consultation with the BRLM, 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. The trading price of the Equity Shares could decline due to the factors mentioned in the "Risk Factors" and you may lose all or part of your investments.

ANCHOR INVESTOR BID/ OFFER PERIOD FRIDAY, MARCH 10, 2023<sup>(1)</sup>

BID/OFFER OPENS ON MONDAY, MARCH 13, 2023<sup>(1)</sup>

BID/OFFER CLOSES ON WEDNESDAY, MARCH 15, 2023<sup>(2)</sup>

- (1) Our Company and the Selling Shareholders, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/ Offer Opening Date.
- (2) UPI mandate end time and date shall be at 5:00pm of the Bid/Offer Closing Date i.e. Wednesday, March 15, 2023.

ASBA\*

Simple, safe, smart way of Application!!!!

\*Applications supported by blocked amount (ASBA) is