

To,  
The Board of Directors,  
V.L.Infraprojects Limited  
716, Shivalik Satyamev, Nr. Vakil Saheb Bridge  
Bopal, Ahmedabad  
Gujarat - 380058

To,  
Beeline Capital Advisors Private Limited,  
B 1311-1314 Thirteenth Floor,  
Shilp Corporate Park,  
Rajpath Rangoli Road, Thaltej, Ahmedabad, Gujarat -  
380054

(Beeline Capital Advisors Private Limited Referred to As The "Book Running Lead Manager")

Dear Sir,

**Sub: Certificate on Ratio of Basis of Issue Price**

**Ref: Proposed Initial Public Offering of Equity Shares Of ₹ 10 Each (The "Equity Shares") of V.L.Infraprojects Limited (The "Company" and Such Offering, The "Issue")**

In connection with calculation of the issue price of the equity shares in the issue, we have verified the information mentioned in annexure a with respect to the company, extracted from the financial statements of the company as at financial period/years ended March 31, 2021, March 31, 2022, March 31, 2023 and March 31, 2024 and other relevant records of the company.

We hereby confirm that while providing this certificate we have complied with the code of ethics issued by the Institute of Chartered Accountants of India.

This certificate is for your information and for inclusion in the Red Herring Prospectus / Prospectus, to be issued by the company in relation to the issue and to be filed/registered with the Securities and Exchange Board of India, stock exchange and the registrar of companies, as may be required.

This certificate may be relied upon by the book running lead manager and the legal counsel appointed in relation to the issue. We hereby consent to the extracts of this certificate being used in the Red Herring Prospectus / Prospectus and in any other material used in connection with the issue. We also consent to the submission of this certificate as may be necessary, to any regulatory authority and / or for the records to be maintained by the book running lead manager in connection with the issue and in accordance with applicable law.

We hereby confirm that while providing this certificate we have complied with the code of ethics issued by the Institute of Chartered Accountants of India. We undertake to inform you and the book running lead manager promptly, in writing, in the event of any change to the above information.

Terms capitalised and not defined herein shall have the same meaning as ascribed to them in the Red Herring Prospectus / Prospectus.

For M/s. SVJK and Associates  
Chartered Accountants  
FRN: 135182W



CA Ankit Singhal  
Partner  
Membership No.: 151324  
UDIN: 24151324BKESID9890



Place: Ahmedabad  
Date: July 13, 2024

## Annexure - I

### QUALITATIVE FACTORS

Some of the qualitative factors which form the basis for computing the Issue Price are set forth below:

- Experienced Promoters and Management Team
- Focused player in Water Supply Projects (WSPs)
- End-to-end execution capabilities
- Optimal Utilization of Resources
- Long-standing relationships with our customers

For details of qualitative factors, please refer to the paragraph "Our Competitive Strengths" in the chapter titled "Business Overview" beginning on page no. Error! Bookmark not defined. of this Draft Red Herring Prospectus.

### QUANTITATIVE FACTORS

#### 1. Basic & Diluted Earnings Per Share (EPS):

$$\text{Basic earnings per share (₹)} = \frac{\text{Restated Profit After Tax attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares outstanding}}$$

$$\text{Diluted earnings per share (₹)} = \frac{\text{Restated Profit After Tax attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares outstanding after adjusting for the effects of all dilutive potential equity shares}}$$

#### Weighted Average EPS

Financial Year/Period	Basic and Diluted EPS (in ₹)	Weights
Financial Year ended March 31, 2024	5.43	3
Financial Year ended March 31, 2023	2.10	2
Financial Year ended March 31, 2022	1.04	1
<b>Weighted Average</b>	<b>3.59</b>	

\* 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. The number of shares is adjusted by Increase in share Capital through issue of Bonus shares on October 30, 2023 in the ratio of 1:2 i.e., 1 (One) Equity Shares for every 2 (Two) Equity Share held.



## Simple Average EPS

\* Not annualized

Financial Year/Period	Basic and Diluted EPS (in ₹)
Financial Year ended March 31, 2024	5.43
Financial Year ended March 31, 2023	2.10
Financial Year ended March 31, 2022	1.04
Simple Average	2.86

### Notes:

1. Simple average = Aggregate of year-wise EPS divided by the aggregate of EPS for each year/ No. of years.
2. Basic and diluted EPS are based on the Restated financial Information.
3. The face value of each Equity Share is ₹10.
4. The number of shares is adjusted by Increase in share Capital through issue of Bonus shares on October 30, 2023 in the ratio of 1:2 i.e., 1 (One) Equity Shares for every 2 (Two) Equity Share held.

## 2. Price to Earnings (P/E) ratio in relation to Price Band of ₹ [●] and ₹ [●] per Equity Shares:

$$\text{Price to Earnings Ratio(P/E)} = \frac{\text{Floor Price/ Cap Price}}{\text{Restated Earnings Per Share}}$$

Particulars	EPS (in ₹)	P/E at the Floor Price (No of times)	P/E at the Cap Price (No of times)
a. Based on EPS of Financial Year ended March 31, 2024	5.43	[●]	[●]
b. Based on Weighted Average EPS	3.59	[●]	[●]
c. Based on Simple Average EPS	2.86	[●]	[●]

\* Not annualized

### Industry PE:

Particulars	PE Ratio*	Company Name
Highest	13.92	EMS Limited
Lowest	13.92	EMS Limited
Average	13.92	EMS Limited

Note: The highest and lowest industry P/E shown above is based on the peer set provided in Point 5 below under "Comparison of Accounting Ratios with Listed Peer Group Companies", listed peer includes EMS Limited only, which have been identified by our Company.



### 3. Return on Net Worth:

$$\text{Return on Net Worth (\%)} = \frac{\text{Restated Profit After Tax attributable to Equity Shareholders}}{\text{Closing Net Worth}} \times 100$$

Financial Year/Period	Return on Net Worth (%)	Weights
Financial Year ended March 31, 2024	37.53%	3
Financial Year ended March 31, 2023	21.79%	2
Financial Year ended March 31, 2022	15.13%	1
<b>Weighted Average</b>	<b>28.55%</b>	

\* 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 financial Statements of our Company.*
3. *Net-worth, as restated at the end of the relevant financial year (Equity attributable to the owners of the company).*

### 4. Net Asset Value per Equity Share:

$$\text{Restated Net Asset Value per equity share (₹)} = \frac{\text{Restated Net Worth as at the end of the year}}{\text{Number of Equity Shares outstanding}}$$

Particular	Amount (in ₹)
Financial Year ended March 31, 2024	14.47
Financial Year ended March 31, 2023	9.04
Financial Year ended March 31, 2022	6.88
<b>After the Issue</b>	
- At Floor price	[•]
- At Cap price	[•]
- At Issue price*	[•]

\* To be determined after the book-building process

#### Notes:



1. The number of shares are adjusted by Increase in share Capital through issue of Bonus shares on October 30, 2023 in the ratio of 1:2 i.e., 1 (One) Equity Shares for every 2 (Two) Equity Share held.
2. Issue Price per equity share has been determined by our Company, in consultation with the Book Running Book Running Lead Managers.

**5. Comparison of Accounting Ratios with Listed Peer Group Companies:**

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

Name of the company	Standalone / Consolidated	Face Value (₹)	Current Market Price (₹)	EPS (₹) Basic & Diluted	P/E Ratio <sup>(1)</sup>	RoNW <sup>(2)</sup> (%)	NAV per Equity Share <sup>(3)</sup> (₹)	Revenue from operations (₹ in Lakhs)
V.L.Infraprojects Limited	Standalone	10.00	[•]	5.43	[•]	37.53	14.47	11,393.16
<b>Peer Group</b>								
EMS Limited	Standalone	10.00	402.40	28.91	13.92	19.11	151.29	71,936.17

**Source:** All the financial information for listed industry peer mentioned above is on a standalone basis sourced from the Annual Reports/Information of the peer company uploaded on the NSE and BSE website for the year ended March 31, 2024.

**Notes:**

1. P/E Ratio has been computed based on the closing market price of equity shares on the NSE on March 28, 2024 divided by the Basic & Diluted EPS for the financial year ended March 31, 2024.
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 adjusted for bonus shares.
4. The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Issue price is [•] times the face value of the Equity Share.

**KEY FINANCIAL AND OPERATIONAL PERFORMANCE INDICATORS ("KPIs")**

Key Performance Indicators (KPIs) are imperative to the Financial and Operational performance evaluation of the company. However, KPIs disclosed below shall not be considered in isolation or as substitute to the Restated financial information. In the opinion of our Management the KPIs disclosed below shall be supplementary tool to the investor for evaluation of the company.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated July 13, 2024 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 Draft 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 Offer Section, whichever is later or for such other duration as may be required under the SEBI (ICDR) Regulations, 2018.

Set forth below are KPIs which have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of various verticals of the Company that have a bearing for arriving at the Basis for the Issue Price.

#### FINANCIAL KPIs OF OUR COMPANY

Particulars	For the Period/ Year ended on			
	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021
Revenue from Operations (₹ in Lakhs)	11,393.16	4,555.70	3,555.34	3,072.08
Growth in Revenue from Operations (%)	150.09	28.14	15.73	-
Gross Profit (₹ in Lakhs)	3,923.68	1,908.80	2,069.51	1,843.88
Gross Profit Margin (%)	34.44	41.90	58.21	60.02
EBITDA (₹ in Lakhs)	1,090.40	471.77	313.82	245.55
EBITDA Margin (%)	9.57	10.36	8.83	7.99
Profit After Tax (₹ in Lakhs)	614.01	222.66	110.58	83.37
PAT Margin (%)	5.39	4.89	3.11	2.71
RoE (%)	46.20	25.41	16.37	14.41
RoCE (%)	39.09	22.97	18.41	20.24
Net Fixed Asset Turnover (In Times)	43.46	23.80	18.83	20.63
Operating Cash Flows (₹ in Lakhs)	(175.36)	113.88	(243.73)	49.10

#### Notes:

- 1) Revenue from Operations means the Revenue from Operations as appearing in the Restated financial Statements.
- 2) Growth in Revenue from Operations (%) is calculated as a percentage of Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period.
- 3) Gross Profit is calculated as Revenue from Operations less Cost of Materials consumed and Purchase of stock-in-trade.
- 4) Gross Profit Margin (%) is calculated as Gross Profit divided by Revenue from Operations.
- 5) EBITDA is calculated as profit before tax for the period/ year, plus finance costs and depreciation and amortization expenses minus other Income.
- 6) EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations.
- 7) Profit after Tax Means Profit for the period/year as appearing in the Restated financial Statements.
- 8) PAT Margin (%) is calculated as Profit for the year/period as a percentage of Revenue from Operations.
- 9) RoE (Return on Equity) (%) is calculated as net profit after tax for the year/ period divided by Average Shareholder Equity.



- 10) RoCE (Return on Capital Employed) (%) is calculated as earnings before interest and taxes divided by average capital employed. Capital Employed includes Tangible Net worth (i.e. subtracting share capital and reserves & surplus by Intangible Assets and Deferred Expenditure, if any), deferred tax liability, Long-Term Borrowing and Short-Term Borrowing.
- 11) Net Fixed Asset Turnover is calculated as Net Turnover divided by Average Fixed Assets which consists of property, plant and equipment.
- 12) Operating cash flows means net cash generated from operating activities as mentioned in the Restated financial Statements.
- 13)

#### OPERATIONAL KPIs OF THE COMPANY:

Particulars	For the Period / Year ended on			
	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021
Workforce Strength	30	18	20	15
<b>Contribution to revenue from operations of top 1 / 3 / 5 / 10 customers</b>				
Top 1 Customers (%)	37.80	40.35	51.87	44.03
Top 3 Customers (%)	63.80	74.86	80.15	72.41
Top 5 Customers (%)	80.51	95.59	91.97	86.86
Top 10 Customers (%)	95.48	99.93	100.00	100.56*
<b>Contribution to purchase material and stock in trade of top 1 / 3 / 5 / 10 Suppliers</b>				
Top 1 Suppliers (%)	27.99	35.18	19.82	23.49
Top 3 Suppliers (%)	63.41	64.28	41.42	37.29
Top 5 Suppliers (%)	72.52	76.90	53.83	48.46
Top 10 Suppliers (%)	82.87	84.90	64.09	67.85

\* The Percentage of revenue from top 10 customers exceeds 100% during the FY 2020-21 was due to reversal of unbilled revenue arose during the year due to discontinuation of a project and accounted under the head Revenue from Operations. The restated Profit & Loss account as well as Audited Profit & Loss Account for FY 2020-21 shows revenue from operation by adjusting that reversal from sales of service.

#### Explanation for KPI metrics

KPI	Explanations
Revenue from Operations (₹ in Lakhs)	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
Gross Profit (₹ in Lakhs)	Gross Profit provides information regarding the contribution from sale of products by the Company.
Gross Profit Margin (%)	Gross Profit Margin is an indicator of the contribution earned from sale of products by the Company.
EBITDA (₹ in Lakhs)	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.
Profit After Tax (₹ in Lakhs)	Profit after tax provides information regarding the overall profitability of the business.



KPI	Explanations
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 average shareholders' funds.
RoCE (%)	ROCE provides how efficiently our Company generates earnings from the average capital employed in the business.
Net Fixed Asset Turnover (In Times)	Net Fixed Asset turnover ratio is indicator of the efficiency with which our Company is able to leverage its assets to generate revenue from operations.
Workforce Strength	Workforce strength shows the Employees strength of our Company.
Operating Cash Flows (₹ in Lakhs)	Operating cash flows provides how efficiently our company generates cash through its core business activities.
Contribution to revenue from operations of top 1 / 3 / 5 / 10 Customers	This metric enables us to track the contribution of our key customers to our revenue and also assess any concentration risks.
Contribution to purchases of materials of top 1 / 3 / 5 / 10 Suppliers	This metric enables us to track the contribution of our key suppliers to our purchases and also assess any concentration risks.





**COMPARISON OF FINANCIAL KPIS OF OUR COMPANY AND OUR LISTED PEERS:**

Particulars	V.L.Infraprojects Limited				EMS Limited			
	For the period / year ended on				For the period / year ended on			
	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021
Revenue from Operations (₹ in Lakhs)	11,393.16	4,555.70	3,555.34	3,072.08	71,936.17	48,424.80	33,766.23	30,693.74
Growth in Revenue from Operations (%)	150.09	28.14	15.73	-	48.55	43.41	10.01	-
Gross Profit (₹ in Lakhs)	3,923.68	1,908.80	2,069.51	1,843.88	20,430.90	16,139.89	11,998.58	10,647.52
Gross Profit Margin (%)	34.44	41.90	58.21	60.02	28.40	33.33	35.53	34.69
EBITDA (₹ in Lakhs)	1,090.41	471.77	313.82	245.55	19,468.18	14,021.10	10,595.18	9,504.38
EBITDA Margin	9.57	10.36	8.83	7.99	27.06	28.95	31.38	30.97
Profit After Tax (₹ in Lakhs)	614.01	222.66	110.58	83.37	14,995.72	10,318.54	7,560.26	6,981.80
PAT Margin (%)	5.39	4.89	3.11	2.71	20.85	21.31	22.39	22.75
RoE (%)	46.20	25.41	16.37	14.41	23.72	24.08	22.26	26.16
RoCE (%)	39.09	22.97	18.41	20.24	29.95	30.65	28.85	34.16
Net Fixed Asset Turnover (In Times)	43.46	23.80	18.83	20.63	11.97	12.48	9.83	9.82
Operating Cash Flows (₹ in Lakhs)	(175.36)	113.88	(243.73)	49.10	(7,293.24)	896.41	(684.35)	2,069.93



**WEIGHTED AVERAGE COST OF ACQUISITION:****a) The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities).**

The details of issuance of Equity Shares or convertible securities, excluding shares issued under ESOP/ESOS and issuance of bonus 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)), in a single transaction or multiple transactions combined together over a span of rolling 30 days are as follows:

The details of allotment of 685000 Equity Shares made on March 31, 2023, by way of rights issue, in the ratio of 1:10 i.e., 1 (One) New Equity Share for every 10 (Ten) Equity Shares held on March 20, 2023 are as follows:

Sr No.	Name of Allottee	Number of Securities Allotted	Face Value (₹)	Issue Price per Equity Share (in ₹)	Nature of consideration	Total Consideration (in ₹ lakhs)
1.	Mr. Raja Gopal Reddy	616500	10.00	10.00	Cash	61.65
2.	Mr. Nageswara Rao Repuri	68500	10.00	10.00	Cash	6.85

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

There are no secondary sale/ acquisition of whether equity shares or convertible securities, where the promoters, members of the promoter group, 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), during the 18 months preceding the date of this Draft Red Herring Prospectus, 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, in a single transaction or multiple transactions combined together over a span of rolling 30 days.

**c) Price per share based on the last five primary or secondary transactions;**

Since there are transactions to report under (a) and (b) therefore, information based on last 5 primary or secondary transactions (secondary transactions where Promoter / Promoter Group entities or Selling Shareholder 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 Draft Red Herring Prospectus irrespective of the size of transactions is not required to be disclosed.

**d) Weighted average cost of acquisition, floor price and cap price:**

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor Price (in ₹)	Cap Price (in ₹)
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity / convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options), in a single transaction or multiple transactions combined together over a span of rolling 30 days.	10.00	[●] times	[●] times
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity / convertible securities), where promoters / promoter group entities or Selling Shareholder or shareholder(s) having the right to nominate director(s) in our Board are	N.A.	N.A.	N.A.



Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor Price (in ₹)	Cap Price (in ₹)
<p>a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this Draft 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-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.**</p>			
<p>Since there were no secondary transactions of equity shares of our Company during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, which are equal to or more than 5% of the fully diluted paid-up share capital of our Company, the information has been disclosed for price per share of our Company based on the last five secondary transactions where promoters /promoter group entities or Selling Shareholder or shareholder(s) having the right to nominate director(s) on our Board, are a party to the transaction, not older than three years prior to the date of filing of this Draft Red Herring Prospectus irrespective of the size of the transaction.</p>	N.A.	N.A.	N.A.

\*\*There were no secondary transactions of shares (equity/ convertible securities) in last 18 months from the date of this Draft Red Herring Prospectus which are equal to or more than 5% of the fully diluted paid-up share capital of our Company.

