

BASIS FOR ISSUE PRICE

The Price Band and Issue Price will be determined by our Company in consultation with the Book running Lead Manager on the basis of assessment of market demand for the Equity Shares issued through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Issue Price is [●] times the Floor Price and [●] times the Cap Price, and Floor Price is [●] times the face value and the Cap Price is [●] times the face value. Investors should read the following basis with the sections titled “*Risk Factors*”, “*Restated Financial Information*”, “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” and the chapter titled “*Our Business*” on page 24, 232, 288 and 173, respectively, of this Red Herring Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for the Issue Price are:

1. Geographical diversification through exports to international market
2. Long standing relationship with diversified customers across multiple industries
3. Strategically located production facilities with access to abundant resources of raw materials and long-term relationships with suppliers
4. Certifications and compliance with quality and food safety standards
5. Experienced Promoters and Senior Management with extensive domain knowledge
6. Consistent financial performance

For more details on qualitative factors, refer to chapter “*Our Business*” on page 173 of this Red Herring Prospectus.

Quantitative Factors

The information presented in this section is derived from our Restated Financial Information. For more details on financial information, investors please refer the chapter titled “*Restated Financial Information*” on page 232 of this Red Herring Prospectus. Investors should evaluate our Company by taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the price are as follows:

1. Basic and Diluted Earnings per Equity Share (“EPS”), adjusted for changes in capital:

Financial period	Basic & Diluted EPS (in ₹)	Weight
Fiscal 2026	9.36	3
Fiscal 2025	7.86 [^]	2
Fiscal 2024	5.03 [^]	1
Weighted Average	8.14	6
Two months period ended May 31, 2026	2.16	

[^]The EPS computed above are derived after giving the effect of bonus shares issued in the ratio of 15:1 (i.e., 15 fully paid-up equity shares for 1 Equity Share held by shareholders as on August 22, 2025)

Notes:

- 1) Earnings per share are in accordance with Accounting Standard 20 - Earnings per Share, as amended
- 2) Basic Earnings per Equity Share (₹) = Profit for the year, as restated, divided by Weighted average number of equity shares outstanding during the period/year
- 3) Diluted Earnings per Equity Share (₹) = Profit for the year, as restated divided by Weighted average number of diluted equity shares outstanding during the period/year
- 4) Weighted Average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights
- 5) The figures disclosed above are based on the Restated Financial Statements.

2. Price Earning (P/E) Ratio in relation to Price Band of ₹79 to ₹83 per Equity Share:

Particulars	P/E at the Floor Price (number of times)	P/E at the Cap Price (number of times)
Based on basic and diluted EPS for Fiscal 2026	8.44	8.87

3. Industry Peer Group P/E Ratio

The Company operates in an unorganized market which comprises of various small and medium sized entities. There are no listed companies whose product portfolio, business operations and risk profile are similar to that of our Company or are comparable to that of our Company.

Due to the absence of publicly available and reliable industry data specific to the product segments of the Company, the overall market size and market share of the Company could not be independently determined. Accordingly, it is not possible to provide an industry comparison in relation to our Company.

4. Return on Net Worth (“RoNW”):

Financial period	RoNW (%)	Weight
Fiscal 2026	27.68%	3
Fiscal 2025	37.01%	2
Fiscal 2024	34.00%	1
Weighted Average	31.84%	6
Two months period ended May 31, 2026*	5.05%	

Notes:

- 1) *Weighted average = Aggregate of year-wise weighted Return on Adjusted Net Worth divided by the aggregate of weights i.e. (Return on Adjusted Net Worth x Weight) for each year/Total of weights.*
- 2) *Return on Net Worth (%) = Restated profit for the year divided by average net worth, where average net worth is calculated by dividing sum of closing net worth of the current fiscal year and closing net worth of the previous fiscal year by 2.*
- 3) *Net worth = Equity share capital plus reserves and surplus*
- 4) **Not Annualised*

5. Net Asset Value per Equity Share⁽¹⁾:

Particulars	NAV (₹) ⁽²⁾
As at May 31, 2026	43.91
As at March 31, 2026	41.74
After the Issue [#]	
- At Floor Price	55.49
- At Cap Price	56.81
Issue Price	[●] [#]

[#] to be included upon determination of Issue Price

Note:

- 1) *Net Asset Value per Equity Share = Net worth derived from Restated Financial Statements as at the end of the year divided by number of equity shares outstanding as at the end of the period /year as per Restated Financial Statements.*
- 2) *The NAV computed above are derived after giving the effect of bonus shares issued in the ratio of 15:1 (i.e., 15 fully paid-up equity shares for 1 Equity Share held by shareholders as on August 22, 2025)*
- 3) *The ‘Net worth’ defined above is in accordance with 2(1)(hh) of the SEBI ICDR Regulations, i.e. “net worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*

6. Key Financial and Operational Performance Indicators

The table below sets forth the details of the key financial and operational performance indicators (“KPIs”) that our Company considers have a bearing for arriving at the basis for Issue Price. These KPIs have been used historically by our Company to understand and analyse business performance, which in result, help us in analysing the growth of various vertical segments. The Bidders can refer to the below-mentioned KPIs to make an assessment of our Company’s performance in various business verticals and make an informed decision.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated August 21, 2026, and the Audit Committee has confirmed that the KPIs pertaining to our Company that have been disclosed to investors at any point of time during the three years period prior to the date of this Red Herring Prospectus have been disclosed in this section and have been subject to verification and certification by S. N. Shah & Associates, Chartered Accountants, bearing firm registration number 109782W, pursuant to certificate dated August 21, 2026, which has been included as part of the “*Material Contracts and Documents for Inspection*”.

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 Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations, 2018.

For details of our key operating, financial and other operating metrics disclosed elsewhere in this Red Herring Prospectus, see “**Our Business**” on page 173 and “**Management’s Discussion and Analysis of Financial Position and Results of Operations**” on page 288.

Set forth below are KPIs which have been used historically by our Company to understand and analyse 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:

Sr. No.	Particulars	For the two months period ended May 31, 2026	Fiscal 2026	Fiscal 2025	Fiscal 2024
1	Revenue from Operations (₹ in	1,598.27	7,122.02	5,710.57	4,486.72
2	Total income (₹ in lakhs)	1,609.79	7,293.39	5,845.98	4,506.10
3	Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) (₹ in lakhs) ⁽¹⁾	402.17	1,539.72	1,205.85	872.49
4	EBITDA Margins (%) ⁽²⁾	25.16%	21.62%	21.12%	19.45%
5	Profit after Tax (PAT) (₹ in	249.96	1,022.00	799.36	511.54
6	PAT Margins (%) ⁽³⁾	15.53%	14.01%	13.67%	11.35%
7	Cash Profit after Tax ⁽⁴⁾ (₹ in	297.81	1,213.21	878.82	575.01
8	Current Ratio ⁽⁵⁾ (In times)	0.89	1.24	0.77	1.10
9	Net Worth ⁽⁶⁾	5,073.86	4,823.90	2,559.72	1,760.36
10	Debt-Equity Ratio ⁽⁷⁾ (In times)	0.69	0.64	0.99	1.38
11	Return on Equity (%) ⁽⁸⁾	5.05%^	27.68%	37.01%	34.00%
12	Return on Capital Employed ⁽⁹⁾	4.45%^	23.40%	27.16%	27.59%

^Not annualised

Notes:

- (1) EBITDA has been calculated as a sum of profit before tax, finance costs and depreciation and amortization less other income.
- (2) EBITDA Margins is calculated as EBITDA divided by revenue from operations.
- (3) PAT Margins (%) is calculated as profit after tax carried to balance sheet divided by Total Income.
- (4) Cash profit after tax is calculated as a sum of profit after tax to balance sheet and depreciation and amortisation as per Restated Financial Statements.
- (5) Current Ratio is calculated as Total Current Assets divided by Total Current Liabilities.
- (6) Networth is calculated as a sum of equity share capital and reserves and surplus as per the restated financial statements.
- (7) Debt to Equity Ratio is calculated as total debt divided by net-worth as per restated financial statements. Total debt is calculated as a sum of long-term borrowings and short-term borrowings (including current maturity of long-term borrowings).
- (8) Return on equity is calculated as net profit after tax, as restated divided by average net worth. Where average net worth is calculated by dividing sum of closing net worth of the current fiscal year and closing net worth of the previous fiscal year by two.
- (9) Return on capital employed is calculated as earnings before interest and tax divided by average capital employed. Average capital employed is calculated by dividing sum of closing capital employed of the current fiscal year and closing capital employed of the previous fiscal year by 2.

KPIs disclosed above has been approved by the Audit Committee of the Company in their meeting held on August 21, 2026.

7. Description on the historic use of the KPIs by our Company to analyse, track or monitor the operational and/or financial performance of our Company

The KPIs disclosed below have been used historically by the Company to understand and analyze the business performance, which in result, help it in analyzing the growth of various verticals, and other

relevant and material KPIs of the business of the Company that have a bearing for arriving at the Basis for Issue Price have been disclosed below. The KPIs set forth above have been approved by the Audit Committee pursuant to its resolution dated August 21, 2026.

The list of the KPIs along with brief explanation of the relevance of the KPIs for the business operations of the Company are set forth below:

Sr No.	KPIs	Explanation
1.	Revenue from Operations	Revenue from operation provided information regarding growth of our business operations over the period
2.	Total Income	Total income provides information regarding income earned by the Company during the period and provides key insight about the financial performance of the Company over the period of time
3.	Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	EBITDA provides information regarding operational profitability and the financial performance of the business.
4.	EBITDA Margins (%)	EBITDA margin provides the financial benchmarking against peers as well as to compare against the historical performance of our business.
5.	Profit after Tax (PAT)	PAT provides information regarding the overall Profitability of our business.
6.	PAT Margins (%)	PAT margin is an indicator of the overall profitability of our business and provides the financial benchmarking against peer as well as to compare against the historical performance of our business.
7.	Cash Profit after Tax	Cash Profit after Tax is an indicator which denotes profit generated from our business operations during the period before adjusting the non-cash items
8.	Current Ratio	Current ratio is an indicator of short-term solvency i.e., company's ability to pay short-term obligations or those due within one year.
9.	Net Worth	Net Worth is an indicator of total net worth after deducting the aggregate value of the accumulated losses, each as applicable for the company on a restated basis.
10.	Debt-Equity Ratio	Debt Equity Ratio is an indicator of overall leverage of our Company
11.	Return on Equity (%)	RoE provides how efficiently the Company generates profits from average shareholders' funds.
12.	Return on Capital Employed (%)	RoCE provides how efficiently our Company generates earnings from the capital employed in our business.

8. Comparison of accounting ratios with Industry Peers

There are no listed companies whose business operations are similar to that of our Company or are of a comparable size to that of our Company. Accordingly, it is not possible to provide an industry comparison in relation to our Company.

9. Comparison of KPIs with listed industry peers

There are no listed companies whose business operations are similar to that of our Company or are of a comparable size to that of our Company. Accordingly, it is not possible to provide an industry comparison in relation to our Company.

10. Comparison of Key Performance Indicators over time shall be explained based on additions or dispositions to our business

Our Company has not made any additions or dispositions to its business during the two months period ended May 31, 2026, and Fiscals 2026, 2025 and 2024. For further details see "*History and Certain Corporate Matters*" on page 206.

11. Weighted Average Cost of Acquisition, Floor Price and Cap Price

- (a) **Price per share of the Company (as adjusted for corporate actions, including split, bonus issuances) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under Employee Stock Option Plan and issuance of Equity Shares pursuant to a bonus issue) 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 in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Primary Issuances”)

The details of the Equity Shares or convertible securities, excluding 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 (“**Primary Issuance**”) are as follows:

Date of allotment	No. of shares transacted	Face Value (in ₹)	Issue price per share	Nature of allotment	Nature of consideration	Total consideration (in ₹ lakhs)
September 17, 2025	13,80,200	10	90	Private Placement	Cash	1,242.18
Total	13,80,200	-	-	-	-	1,242.18
Weighted Average Cost of Acquisition [Total Consideration/Total Number of Shares Transacted]						90.00

Except as stated above, it is confirmed that there are no primary/new issue of shares, equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated on the pre-issue capital on the date of allotment) in the 18 months prior to the date of this Red Herring Prospectus.

- (b) **Price per share of the Company (as adjusted for corporate actions, including bonus issuances) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving the Promoters, members of the Promoter Group, the Selling Shareholder or other Shareholders of the Company with rights to nominate directors during the 18 months preceding the date of filing of the DRHP/ RHP, where the 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 ESOPs granted but not vested) in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Secondary Transactions”)**

There has been no secondary sale/ acquisitions of Equity Shares or any convertible securities (“Security(ies)”), 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 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) **Price per share based on the last five primary or secondary transactions**

Since there are transactions to report to under (a) and (b) above, 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 the Company, are a party to the transaction) not older than 3 years prior to the date of the Red Herring Prospectus irrespective of the size of transactions is not required to disclosed.

- (d) **Weighted average cost of acquisition, Floor Price and Cap Price:**

Type of transaction	WACA (in ₹)	Floor Price (₹79)	Cap Price (₹83)
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 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	90.00	0.88	0.92

Type of transaction	WACA (in ₹)	Floor Price (₹79)	Cap Price (₹83)
transaction/s and excluding employee stock options), in a single transaction or multiple transactions combined together over a span of rolling 30 days.			
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity / convertible securities), where promoter / promoter group entities or Selling Shareholder or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this 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.	N.A.	N.A.	N.A.
Since there are transactions to report in (A) or (B) above, therefore, information based on last 5 primary or secondary transactions (secondary transactions where promoter/promoter group entities or selling shareholder or shareholder(s) having right to nominate director(s) in the Board of the Company, are a party to the transaction) not older than 3 years prior to the date of Red Herring Prospectus irrespective of the size of transactions is not required to disclosed			
Last 5 primary transactions	N.A.	N.A.	N.A.
Last 5 secondary transactions	N.A.	N.A.	N.A.

12. Justification for Basis of Issue price

The following provides an explanation for the Issue Price/Cap Price being 0.92 times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired or sold by our Promoter, the Promoter Group or other shareholders with rights to nominate directors by way of primary transactions as disclosed in paragraph above, in the last 18 months preceding the date of this Red Herring Prospectus compared to our Company's KPIs and financial ratios for the two month period ended May 31, 2026 and Fiscal 2026, 2025, and 2024 and in view of external factors, if any.

1. We hold one of the largest domestic production capacities for bisulphites with capacity of 18,800 MTPA (*Source: CareEdge Report*). Our installed capacity increased from 18,800 MTPA to 36,800 MTPA after commencement of Phase I of our Manufacturing Unit – II and we propose to further expand our capacity by 78,544 MTPA under Phase II. We have diversified export presence across geographies such as Eswatini, Malaysia, the United Arab Emirates, Qatar, Nigeria, Russia, Colombia, Turkey, Puerto Rico, Iraq, Vietnam, Azerbaijan, Egypt, Ghana and Philippines with export sales contributing 29.28%, 42.57%, 53.83% and 50.08% of revenue from operations in two months period ended May 31, 2026, Fiscal 2026, Fiscal 2025 and Fiscal 2024, respectively. This wide geographical spread across diverse end-use industries such as food and beverages, chemicals, oil drilling, pharmaceuticals, ceramics, agrochemicals, water treatment, petrochemicals, cosmetics, paints, polymers, boilers and mining which reduces our dependence on any single market and provides a stable revenue base that supports our business growth.
2. We have established long-standing relationships with a diversified customer base, with the number of domestic customers increased from 46 in Fiscal 2024 to 64 in Fiscal 2026, while we had 20 international customers in Fiscal 2026. Further, 4 of our top 10 customers in Fiscal 2026 have been associated with us for over five years, reflecting customer retention and repeat business.
3. Our manufacturing facilities at Vatva, Ahmedabad and Bavla, Ahmedabad are strategically located in close proximity to sources of key raw materials, including liquid SO₂, sodium carbonate, sodium hydroxide and liquid ammonia. This locational advantage reduces logistics costs and lead times and combined with long-term supplier relationships, enables consistent raw material availability and competitive pricing.
4. Our Company holds ISO 9001:2015, NSF, KOSHER, HACCP and HALAL certifications, supporting our ability to meet specified quality, safety and food safety requirements across potable water treatment and food and beverage applications. These certifications enable us to cater to customers with specific quality and regulatory requirements across domestic and international markets.

5. Our Company is led by Promoters Manojkumar Jayantilal Patel and Avnish Manojkumar Patel, who have over 26 years and 17 years of experience, respectively, in the manufacturing and supply of sulphur-based inorganic chemicals. Their experience across manufacturing, procurement, marketing, business development and finance, along with an experienced senior management team, has supported the growth of our business.
6. Our Company has delivered consistent growth in revenue and profitability, with revenue from operations increasing from ₹4,486.72 lakhs in Fiscal 2024 to ₹7,122.02 lakhs in Fiscal 2026 at a CAGR of 25.99%, EBITDA increasing from ₹872.49 lakhs to ₹1,539.72 lakhs in Fiscal 2026 lakhs at a CAGR of 32.84% and PAT increasing from ₹511.54 lakhs to ₹1,022.00 lakhs at a CAGR of 41.35%. This consistent growth in revenue, EBITDA and PAT demonstrates ability of the Company to scale its operations while maintaining profitability.

The Price Band of ₹79 – ₹83 has been determined by our Company, in consultation with the BRLM, on the basis of the demand from investors for the Equity Shares through the Book Building process. Investors should read the abovementioned information along with “**Risk Factors**”, “**Our Business**” and “**Restated Financial Information**” on pages 24, 173 and 232, respectively of this Red Herring Prospectus, to have a more informed view.

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