



CERTIFICATE ON RATIO OF BASIS OF ISSUE PRICE

To,
The Board of Directors,
Sheetal universal limited
Office no. 348, 2nd floor, Iscon mall,
150 Feet Ring road,
Rajkot - 360005, Gujarat, India

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 “Lead Manager”)

Dear sir,

Sub: proposed initial public offering of equity shares of ₹ 10 each (the “equity shares”) of Sheetal Universal 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 years/period ended August 31,2023, March 31, 2021, march 31, 2022 and march 31, 2023 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 draft 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 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 draft 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 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 lead manager promptly, in writing, in the event of any change to the above information.



NGST & Associates

Chartered *Accountants*

Terms capitalised and not defined herein shall have the same meaning as ascribed to them in the draft prospectus / prospectus.

**For NGST & Associates.
Chartered Accountants
(FRN: 135159W)**

Bhupendra



Bhupendra Gandhi
Partner
Mem .No. 122296
Date: November 27, 2023
Place: Mumbai
UDIN: 23122296BGUOOZ2782



ANNEXURE- A

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

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

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

Based on Weighted Average

Financial Year/Period	Basic and Diluted EPS (in ₹)	Weights
Financial Year ended March 31, 2023	2.56	3
Financial Year ended March 31, 2022	0.37	2
Financial Year ended March 31, 2021	0.33	1
Weighted Average	1.46	
Period ended on August 31, 2023	2.37	

Based on Simple Average

Financial Year/Period	Basic and Diluted EPS (in ₹)	Weights
Financial Year ended March 31, 2023	2.56	1
Financial Year ended March 31, 2022	0.37	1
Financial Year ended March 31, 2021	0.33	1
Simple Average	1.09	
Period ended on August 31, 2023	2.37	

Notes:

1. The face value of each Equity Share is ₹10



2. Price to Earnings (P/E) ratio in relation to Issue Price of ₹ 70:

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

Particulars	EPS (in ₹)	P/E at the Issue Price
a. Based on EPS of Financial Year ended March 31, 2023	2.56	27.34
b. Based on Weighted Average EPS	1.46	47.95
c. Based on Simple Average EPS	1.09	64.22

Industry PE: Not Applicable

3. Return on Net Worth:

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

Financial Year/Period	Return on Net Worth (%)	Weights
Financial Year ended March 31, 2023	30.63%	3
Financial Year ended March 31, 2022	6.28%	2
Financial Year ended March 31, 2021	6.03%	1
Weighted Average	18.41%	
Period ended on August 31, 2023	17.93%	

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. *Net-worth, as per consolidated restated at the end of the relevant financial year (Equity attributable to the owners of the company).*

4. Net Asset Value per Equity Share:

$$\text{Restated Net Asset Value per equity share (₹)} = \frac{\text{Restated Consolidated Net Worth as at the end of}}$$



the year

Number of Equity Shares outstanding

Particular	Amount (in ₹)
Financial Year ended March 31, 2023	8.37
Financial Year ended March 31, 2022	5.81
Financial Year ended March 31, 2021	5.44
Period ended on August 31, 2023	13.00
After completion of the Issue	29.91
Price per equity share	70.00

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	P/E Ratio	RoNW (%)	NAV per Equity Share (₹)	Revenue from operations (₹ in Lakhs)
Sheetal Universal Limited	Consolidated	10.00	70.00	2.56	27.34	30.63%	8.37	12,881.22
Peer Group*	Not Available							

Notes: Company does not have comparable listed peer, therefore information related to peer group has not been provided.

FINANCIAL KPIs OF OUR COMPANY

Particulars	For the Period ended on			
	31-08-2023	31-Mar-23	31-Mar-22	31-Mar-21
Revenue from Operations (₹ in Lakhs)	5,675.86	12,881.22	3,868.77	3,763.64
Growth in Revenue from Operations (%)	-	232.95%	2.79%	



Particulars	For the Period ended on			
	31-08-2023	31-Mar-23	31-Mar-22	31-Mar-21
Gross Profit	253.82	249.10	107.54	89.75
Gross Profit Margin (%)	4.47%	1.93%	2.78%	2.38%
EBITDA (₹ in Lakhs)	181.20	149.20	15.97	4.04
EBITDA Margin (%)	3.19%	1.16%	0.41%	0.11%
Profit After Tax (₹ in Lakhs)	187.67	198.85	28.31	25.41
PAT Margin (%)	3.31%	1.54%	0.73%	0.68%
RoE (%)	22.13%	36.17%	6.49%	5.93%
RoCE (%)	13.50%	21.59%	6.99%	7.28%
Net Working Capital Days	126.55	12.16	34.87	34.21
Net Fixed Asset Turnover (In Times)	10.98	30.85	13.25	11.74
Operating Cash Flows (₹ in Lakhs)	(455.15)	(268.02)	231.25	19.33

Notes:

- 1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Consolidated 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 by Revenue from Operation for the year reduced by Cost of material consumed, Changes in inventories of finished goods, work-in-progress and Stock-in-Trade and Other Direct operational expenses.
- 4) Gross Profit Margin (%) is calculated as Gross Profit divided by Revenue from Operations.
- 5) EBITDA is calculated as profit for the period / year, plus tax expenses (consisting of current tax, deferred tax and current taxes relating to earlier years), 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 Consolidated 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 Equity Shares, Reserves and surplus, deferred tax liability, Long-Term Borrowing, Short-Term Borrowing and Deferred Tax Liability/(Asset).
- 11) Net Fixed Asset Turnover is calculated as Net Turnover divided by Average Fixed Assets which consists of property, plant and equipment and capital work-in-progress.
- 12) Net Working Capital Days is calculated by Dividing Working Capital requirement of the company from Revenue from Operations multiplied by Number of Days in a particular year.
- 13) Operating cash flows means net cash generated from operating activities as mentioned in the Consolidated Restated Financial Statements.

OPERATIONAL KPIs OF THE COMPANY:

Particulars	For the Year ended on			
	August 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
A. PEANUT PLANT:				
Installed Capacity	18000 MT	12000 MT	9000 MT	9000 MT
Actual Production	3345.72 MT	8898.43 MT	2176.40 MT	3848.10 MT
Capacity Utilization (In %)	18.58	74	24	43
B. CUMIN/SESAME PLANT				
Installed Capacity	6000 MT	6000 MT	6000 MT	6000 MT
Actual Production	1092.61 MT	3500.24 MT	1528.47 MT	1561.23 MT
Capacity Utilization (In %)	18.21	58	25	26
Contribution to revenue from operations of top 1 / 3 / 5 / 10 customers				
Top 1 Customers (%)	27.19	14.77	6.73	22.03
Top 3 Customers (%)	49.83	36.55	19.92	44.91



Particulars	For the Year ended on			
	August 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Top 5 Customers (%)	58.04	47.05	31.57	56.90
Top 10 Customers (%)	72.41	66.07	56.16	79.28

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.
Growth in Revenue from Operations	Growth in Revenue from Operations provides information regarding the growth of our business for the respective period.
Gross Profit	Gross Profit provides information regarding operational efficiency of the business.
Gross Profit Margin (%)	Gross Profit Margin is an indicator of the operational profitability and financial performance of our business.
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.
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.
Net Working Capital Days	Net working capital days indicates the working capital requirements of our Company in relation to revenue generated from operations.
Operating Cash Flows (₹ in Lakhs)	Operating cash flows provides how efficiently our company generates cash through its core business activities.
Revenue split between different	This metric enables us to track the progress of our revenues in the



KPI	Explanations
verticals of company	different verticals of the company.
Contribution to revenue from operations of top 1 / 3 / 5 / 10	This metric enables us to track the contribution of our key customers to our revenue and also assess any concentration risks.

COMPARISON OF FINANCIAL KPIs OF OUR COMPANY AND OUR LISTED PEERS:

Company does not have any listed peers.

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 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 30 days is as follows:

Sr No	Nature of Issue	Name of Allottee	Number of Shares Allotted	Face Value (Amount in ₹)	Issue Price (Amount in ₹)	Nature of Consideration
1.	Right Issue	Mr. Hiren Vallabhbhai Patel	300000	₹ 10	₹ 70	Cash
Weighted Average Cost of Acquisition				₹ 70		

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

The Details of 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 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 granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days are disclosed below:

There are no transactions to be reported under (b) as on Date of the Prospectus.

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

Since there are transactions to report to under (a) 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 Prospectus irrespective of the size of transactions is not required.

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

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Times of Issue Price
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 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.	₹ 70.00	1.00
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 a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this 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.
Since there were no secondary transactions of equity shares of our Company during the 18 months preceding the date of filing of this 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 Prospectus irrespective of the size of the transaction.	N.A.	N.A.



Explanation for Issue Price being 1 time price of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in (d) above) along with our Company's key performance indicators and financial ratios for the period ended on August 31, 2023 and year ended on March 2023, 2022 and 2021.

Turnover of the Company on restated Consolidated basis has been ₹ 3,763.64 lakhs in the financial year 2021, ₹ 3,868.77 lakhs in the financial year 2022 and ₹ 12,881.22 lakhs in the financial year 2023 showing compounded growth of 85.00%. The turnover for the period ended on August 31, 2023 has been ₹ 5,675.86 Lakhs on restated Consolidated basis.

The company EBITDA on restated basis has been ₹ 4.04 lakhs in the financial year 2021, ₹ 15.98 lakhs in the financial year 2022 and ₹ 149.21 lakhs in the financial year 2023 showing compounded growth of 507.14%. The EBIDTA for the period ended on August 31, 2023 has been ₹ 181.21 Lakhs on restated basis.

The company PAT on restated basis has been ₹ 25.41 lakhs in the financial year 2021, ₹ 28.31 lakhs in the financial year 2022 and ₹ 198.85 lakhs in the financial year 2023 showing compounded growth of 179.77%. The EBIDTA for the period ended on August 31, 2023 has been ₹ 187.67 Lakhs on restated basis.

The company Net Worth on restated basis has been ₹ 422.07 lakhs in the financial year 2021, ₹ 450.37 lakhs in the financial year 2022 and ₹ 649.22 lakhs in the financial year 2023 showing compounded growth of 24.02% on restated basis. The Net Worth the period ended on August 31, 2023 has been ₹ 1046.89 Lakhs on restated basis.

Explanation for Issue Price being 7 times price of face value.

The Issue Price of ₹ 70.00 has been determined by our Company in consultation with the Lead Manager.