



# PPN AND COMPANY

## CHARTERED ACCOUNTANTS

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### CERTIFICATE ON RATIOS FOR BASIS FOR ISSUE PRICE

Date: 13-05-2024

To,

The Board of Directors,  
Sathlokhar Synergys E&C Global Limited,  
(Formerly known as Sathlokhar Synergys Private Limited and Sathlokhar Synergys E&C Global Private Limited)  
Plot No.5171, 9th Street, Ram Nagar North Extension,  
Madipakkam, Kanchipuram, Saidapet,  
Tamil Nadu, India, 600091.

GYR Capital Advisors Private Limited  
428, Gala Empire, Near JB Tower,  
Drive in Road, Thaltej,  
Ahemdabad-380 054,  
Gujarat, India.

(GYR Capital Advisors Private Limited referred to as the "Lead Manager")

Dear Sir(s),

**Sub: Proposed initial public offering of equity shares of ₹ 10 each (the "Equity Shares") of Sathlokhar Synergys E&C Global Limited (Formerly known as Sathlokhar Synergys Private Limited and Sathlokhar Synergys E&C Global Private 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 the year end March 31, 2024 and for the financial years ended March 31, 2023 and March 31, 2022 and other relevant records of the Company.

We hereby confirm that we have conducted our examination of the information given in this certificate (including the annexures thereto) in accordance with the 'Guidance Note on the Reports or Certificates for Special Purposes (Revised 2016)' issued by the Institute of Chartered Accountants of India ("ICAI"), as revised from time to time, to obtain a reasonable assurance that such details are in agreement with the books of accounts and other relevant records provided to us, in all material respects; the aforesaid Guidance Notes requires that we comply with the ethical requirements of the 'Code of Ethics' issued by the ICAI, as revised from time to time. We also confirm that we have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,' issued by the ICAI.

This certificate is for your information and for inclusion in the Draft Red Herring Prospectus and the Prospectus (the "Offer Documents"), to be issued by the Company in relation to the Issue and to be filed/registered with the SME Platform of National Stock Exchange of India Limited where the Equity Shares are proposed to be listed ("Stock Exchange") and the Registrar of Companies, ("RoC"), as applicable.



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 Offer Documents 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.

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

Yours sincerely,

**For P P N And COMPANY**  
**Chartered Accountants**  
**Firm's Registration No: 013623S**  
**Peer review Certificate No.013578**

*D. Hitesh*

**D. Hitesh**  
**Partner**  
**Membership No.231991**  
**UDIN: 24231991BKEXDH4195**



Place: Chennai  
Date: 13-05-2024

## Annexure A

### I. As per the restated financial statements

1. Basic and Diluted Earnings Per Share ("EPS") of ₹ [●] per Equity Share (as adjusted for changes in capital, if any):

Year ended	Basic/ Diluted EPS (in Rs.)	Weights
FY 2021-22	0.5	1
FY 2022-23	3.12	2
FY 2023-24	14.98	3
<b>Weighted Average</b>	<b>8.61</b>	

\* After giving effect of Bonus Issue of 1,54,99,993 Equity Shares in the ratio of 31:4.

#### Note:

- i. Basic EPS: Net Profit after tax as restated divided by weighted average number of Equity Shares outstanding at the end of the period/ year.
- ii. Diluted EPS: Net Profit after tax as restated divided by weighted average number of Equity Shares outstanding at the end of the period/year for diluted EPS.
- iii. Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares issued during the year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year/period.
- iv. The above statement should be read with significant accounting policies and notes on Restated Financial Statements as appearing in the Financial Statements.
- v. The EPS has been calculated in accordance with AS 20 Earnings Per Share (EPS) issued by Institute of Chartered Accountants of India.

2. Return On Net Worth ("RoNW"):

Year ended	RoNW(%)	Weight
FY 2021-22	9.92%	1
FY 2022-23	38.11%	2
FY 2023-24	64.68%	3
<b>Weighted Average</b>	<b>46.69%</b>	

RoNW is calculated as net profit after taxation and minority interest attributable to the equity shareholders of the Company divided by shareholders' funds for that year. Shareholders' funds = Share capital + reserves & surplus – revaluation reserves.

3. Net Asset Value ("NAV") per Equity Share as per last balance sheet:

Particulars	NAV per Share (post bonus) (₹)
As on March 31, 2022	5.06
As on March 31, 2023	8.18
As on March 31, 2024	23.16

NAV (book value per share) = Total shareholders' funds divided by number of shares outstanding as on March 31, 2023/Year ended March 31, 2024 and every year.





4. Minimum Return on Total Net Worth after the Issue needed to maintain Pre- Issue EPS for the year ended March 31 2023 (or for the year ended March 31, 2024):

Restated Financial Statements		
	Floor Price	Cap Price
Basic EPS	[●]	[●]
Diluted EPS	[●]	[●]

5. P/E Ratio in relation to the Issue Price of ₹ [●] per Equity Share:

Particulars
P/ E ratio based on basic EPS for fiscal year 2024 at [●] the Floor Price
P/ E ratio based on diluted EPS for fiscal year 2024 at [●] the Floor Price
P/ E ratio based on basic EPS for fiscal year 2023 at [●] the Cap Price
P/ E ratio based on diluted EPS for fiscal year 2023 at [●] the Cap Price

6. Comparison with Listed Industry Peers

Name of the Company	CMP*	Basic EPS (Rs.)	Diluted EPS (Rs.)	Face Value (Rs.)	P/E Ratio*	RoNW (%)	NAV Per Share	Total Income (Rs. In Lakhs)
Peer Group								
K2 INFRAGEN LIMITED	145.95	18.02	15.38	10	9.49	81%	62.04	7,490.08
SURAJ ESTATE DEVELOPERS LIMITED	392.65	10.1	10.1	5	38.88	45%	225.24	30,789.00
SRM CONTRACTORS LIMITED	200.1	90.82	90.82	10	2.20	30%	37.72	30,065.09
Our Company**	[●]	3.12	3.12	10	[●]	38%	71.58	8,715.66

\*Source: All the financial information for listed industry peers mentioned above is sourced from the DRHP of the aforesaid companies for the year ended March 31, 2023 and stock exchange data dated April 30, 2024 to compute the corresponding financial ratios for the financial year ended March 31, 2023. The current market price and related figures are as on April 30, 2024.

(1) NAV is computed as the closing net worth divided by the closing outstanding number of equity shares as on March 31, 2023.

(2) P/E Ratio has been computed based on the closing market price of equity shares on April 30, 2024, on [www.nseindia.com](http://www.nseindia.com), divided by the Diluted EPS as on March 31, 2023.

(3) RoNW is computed as net profit after tax divided by closing net worth. Net worth has been computed as the aggregate of share capital and reserves and surplus. In case the net worth is negative for a particular year, the same has not been considered.

\*\*The details shall be provided post the fixing of the price band by our Company at the stage of the red herring prospectus or the filing of the price band advertisement.

