CERTIFICATE ON BASIS OF OFFER PRICE

To,

The Board of Directors
Scoda Tubes Limited,
Survey No. 1566/1 Village Rajpur,
Tal. Kadi, Mehsana, Gujarat - 382740, India.

AND

Monarch Networth Capital Limited,
4th Floor, 'B' Wing, Laxmi Tower, G Block,
Bandra Kurla Complex, Bandra East, Mumbai - 400051.

(**Monarch Networth Capital Limited** with any other book running lead managers that may be appointed in connection with the Issue, the "**BRLM**")

Re: Proposed initial public offering of equity shares of face value of ₹ 10 each (the "Equity Shares" and such offering, the "Issue") of Scoda Tubes Limited (the "Company")

We, **Dhirubhai Shah & Co LLP**, Chartered Accountants, the present Statutory Auditors of the Company have been requested by the Company to review and confirm and verify certain information with respect to the 'Basis for Issue Price' in connection with the Issue, as enumerated in **Annexure A**.

In connection with calculation of the basis of Issue price of the Equity Shares in the Issue, we have verified the information mentioned in **Annexure A** with respect to the Company, (a) the restated financial statements of the Company for the financial period/ year ended December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 (the "**Restated Financial Statements**"), (b) books of Accounts , (c) other relevant records of the Company, (d) annual reports / annual results of listed peer companies and (e) other available information including CRISIL report.

We have conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" ("**Guidance Note**") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Charted Accountants of India. We have also 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.

We confirm that the information above is true, fair, correct, accurate, not misleading and without omission of any matter that is likely to mislead, and adequate to enable investors to make a well-informed decision.

We undertake to immediately communicate, in writing, any changes to the above information/confirmations as and when: (i) made available to us; or (ii) we become aware of any such changes, to the BRLM and the Company until the Equity Shares allotted/transferred in the Issue commence trading on the Stock Exchanges. In the absence of any such communication from us, the Company, the BRLM and the legal advisor appointed with respect to the Issue can assume that there is no change to the information/confirmations forming part of this certificate and accordingly, such information should be considered to be true and accurate.

This certificate is issued for the sole purpose of the Issue and this certificate or any extracts or annexures thereof, can be used, in full or part, for inclusion in the Issue Documents in connection with the Issue, and for the submission of this certificate as may be necessary, to any regulatory / statutory authority, stock exchanges, any other authority as may be required and/or for the records to be maintained by the BRLM in connection with the Issue and in accordance with applicable law, and for the purpose of any defense the BRLM may wish to advance in any claim or proceeding in connection with the contents of the Issue Documents.

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This certificate may be relied on by the BRLM, their affiliates and legal counsel in relation to the Issue.

Yours faithfully,

For and on behalf of
Dhirubhai Shah & Co LLP
Chartered Accountants
FRN: 102511W/W100298

Parth Shishirkumar Dadawala
Digitally signed by Parth Shishirkumar Dadawala
Date: 2025.05.22 14:04:58 +05'30'

DHIRUBHAI SHAH & CO. LLP
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Parth S. Dadawala
Partner
Membership No.: 134475
UDIN: 25134475BMIVZB3226

Place: Ahmedabad
Date: **May 22, 2025**

Encl: As above

CC:

Legal Counsel to the Issue

M/s. Crawford Bayley & Co.
State Bank Buildings
N.G. N. Vaidya Marg
Fort, Mumbai 400 023

ANNEXURE A

1. Basic and Diluted Earnings per Share ("EPS"), as adjusted for changes in capital

As derived from the Restated Financial Information:

(a) After Exceptional items:

Financial Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
Financial Year ended March 31, 2024	4.60	4.60	3
Financial Year ended March 31, 2023	2.60	2.60	2
Financial Year ended March 31, 2022	0.72	0.72	1
Weighted Average EPS	3.28	3.28	-
Nine months period ended December 31, 2024^	6.08	6.08	

^Not annualised

(b) Before exceptional items:

Financial Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
Financial Year ended March 31, 2024	4.60	4.60	3
Financial Year ended March 31, 2023	2.60	2.60	2
Financial Year ended March 31, 2022	0.72	0.72	1
Weighted Average EPS	3.28	3.28	-
Nine months period ended December 31, 2024^	6.08	6.08	

^Not annualised

Notes:

i. *Basic EPS (₹) = Basic earnings per share is calculated by dividing the Restated Profit for the year by the number of Equity Shares outstanding during the year, after considering impact of bonus issuance retrospectively, for all periods presented. Not annualised for nine months period ended December 31, 2024.*

ii. *Diluted EPS (₹) = Diluted earnings per share is calculated by dividing the Restated Profit for the year by the number of equity Shares outstanding during the year as adjusted for the effects of all dilutive potential Equity Shares outstanding during the year, if any and after considering impact of bonus issuance retrospectively, for all periods presented. Not annualised for nine months period ended December 31, 2024.*

iii. *Earnings per Share calculations are in accordance with the notified Indian Accounting Standard 33 'Earnings per share'.*

iv. *Subsequent to 31st March 2024, the Company has issued Bonus Shares in the proportion of 30 Equity Shares for every 1 Equity Share held by the shareholders pursuant to resolution dated 12th July, 2024 and hence the number of equity shares outstanding for each of the three years considered above has been adjusted for the Bonus issue retrospectively for all the periods presented.*

v. *The above statements and tables should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Restated Financial Statements.*

vi. *Weighted average EPS= Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year / Total of weights*

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2. Average Return on Net Worth ("RoNW")

As derived from the Restated Financial Information of the Company:

Fiscal / Period Ended	RoNW %	Weight
2024	28.77%	3
2023	22.81%	2
2022	4.68%	1
Weighted Average for the above three Fiscals	22.77%	**-**
Nine months period ended December 31, 2024^	17.36%	

^Not annualised

Notes:

1. *Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.*
2. *Return on Net Worth means the net profit after tax attributable to owners of the Company, as restated divided by restated net worth at the end of the year/period.*
3. *Net Worth has been defined under Regulation 2(1)(hh) of the SEBI ICDR Regulations as 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.*

3. Net Asset Value per Equity Share of face value of ₹ 10 each, as adjusted for changes in capital.

As derived from the Restated Financial Statements:

Period	NAV derived from the Restated Financial Statements (₹)
As on nine months ended December 31, 2024	32.48
As on March 31, 2024	15.99
After the completion of the Issue	At Floor Price: [●] At Cap Price: [●]
Issue Price	[●]

Notes:

i. *Issue Price per Equity Share will be determined on conclusion of the Book Building Process.*

ii. *Net Asset Value per Equity Share = Net worth divided by the outstanding number of equity shares outstanding at the end of the year, after considering impact of bonus issuance on July 23, 2024.*

iii. *Subsequent to March 31, 2024, our Company has issued Bonus Shares in the proportion of 30 Equity Shares for every 1 Equity Share held by the shareholders pursuant to resolution dated July 12, 2024 and NAV per Equity Share disclosed above has been adjusted for the Bonus issue.*

4. Comparison of accounting ratios with listed industry peers

Following is the comparison with peer group companies listed in India and in the same line of business as the Company:

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Name of the Company	Market Price	Face Value	Revenue from Operations (₹ mn)	Basic EPS[1]	Diluted EPS[1]	P/E[2]	Return on Networth (%)[3]	NAV per Equity Share (₹)[4]	Consolidated or standalone
Scoda Tubes Limited	-	10.00	3,998.61	4.60	4.60	-	28.77%	15.99	Standalone
Ratnamani Metals & Tubes Limited	2,847.35	2.00	50,590.90	89.18	89.18	31.93	19.90%	448.07	Consolidated
Venus Pipes & Tubes Limited	1,303.60	10.00	8,021.98	42.36	42.36	30.77	21.17%	200.05	Standalone
Welspun Specialty Solutions Limited	32.04	6.00	6,966.70	1.18	1.18	27.15	67.11%	1.76	Standalone
Suraj Limited	407.75	10.00	3,306.65	11.72	11.72	34.79	17.57%	66.74	Consolidated

Source:
The financial information for our Company is based on the Restated Financial Statements as at and for the financial year ended March 31, 2024.
The financial information for listed industry peers mentioned above is sourced from the financial statements of the respective company for the financial year ended March 31, 2024 submitted to the Stock Exchanges and Markert Price is Closing market Price as on May 20, 2025 on BSE .
Notes:

i. *Basic EPS and Diluted EPS refer to the Basic EPS and Diluted EPS sourced from the financial statements of the respective company.*
ii. *P/E Ratio has been computed based on the closing market price of equity shares on BSE on May 20, 2025 divided by the Basic EPS provided.*
iii. *Return on Net Worth for equity shareholders (%) (RONW) is calculated by Profit for the year divided by total net worth. Net worth means equity share capital plus other equity*
iv. *For listed peers, NAV is computed as equity attributable to owners (total equity) divided by the number of equity shares outstanding at the end of the year.*
v. *Subsequent to March 31, 2024, our Company has issued Bonus Shares in the proportion of 30 Equity Shares for every 1 Equity Share held by the shareholders pursuant to resolution dated July 12, 2024 and NAV per Equity Share disclosed above has been adjusted for the Bonus issue.*

5. Key Performance Indicators ("KPIs")

The table below sets forth the details of KPIs that the Company considers have a bearing for arriving at the basis for the Issue Price. All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated May 22, 2025.

Sr. No.	Particulars	As of and for the nine months period ended December 31, 2024	As of and for the Fiscal		
			2024	2023	2022
1	Revenue from operations (₹ million)	3,611.71	3,998.61	3,051.28	1,940.28

Sr. No.	Particulars	As of and for the nine months period ended December 31, 2024	As of and for the Fiscal		
			2024	2023	2022
2	Growth in Revenue from Operations (%)	NA	31.05%	57.26%	83.21
3	EBITDA (₹ million)	606.28	587.91	347.84	99.89
4	EBITDA Margin (%)	16.79%	14.70%	11.40%	5.15%
5	EBIT (₹ million)	472.57	424.04	233.07	84.60
6	EBIT Margin (%)	13.08%	10.60%	7.64%	4.36%
7	Profit After Tax (₹ million)	249.14	183.00	103.36	16.36
8	Profit After Tax Margin (%)	6.90%	4.58%	3.39%	0.84%
9	RoE (%)	17.36%	28.77%	22.81%	4.68%
10	RoCE (%)	13.67%	15.92%	12.62%	5.84%
11	Fixed Asset Turnover (x)	4.16	4.90	4.91	4.30
12	EBITDA/Tonne	61,535.51	65,009.63	57,791.46	23,240.62
13	Realization/Tonne	3,66,577.21	442,156.35	506,951.29	451,429.58
14	Seamless Products Installed Capacity (Tonnes)	10,068	10,068	6,540	4,410
15	Welded Products Installed Capacity (Tonnes)	1,020	1,020	1,020	1,020
16	Production Seamless Products (Tonnes)	7,954	7,165	6,061	3,905
17	Production Welded Products (Tonnes)	86	39	123	463
18	Utilization rate Seamless Products (%)	79.01%	71.17%	92.68%	88.55%
19	Utilization rate Welded Products (%)	8.46%	3.82%	12.06%	45.39%

Notes:

1. *Revenue from Operations means the revenue from operations as appearing in the Financial Information.*
2. *Growth in revenue from operations (%) is calculated as a percentage of revenue from operations of the relevant period/year minus Revenue from Operations of the preceding period/year, divided by revenue from operations of the preceding period/year.*
3. *EBITDA is calculated as profit / (loss) for the period / year, plus total tax expense (credit) for the period / year, finance costs and depreciation and amortization expenses, excluding other Income.*
4. *EBITDA Margin (%) is computed as EBITDA divided by revenue from operations.*
5. *EBIT is calculated as profit / (loss) for the period / year plus total tax expense / (credit) plus finance costs excluding other Income.*
6. *EBIT Margin (%) is computed as EBIT divided by revenue from operations.*
7. *Profit after Tax means profit / (loss) for the year as appearing in the Financial Information.*
8. *Profit after Tax Margin refers to the percentage margin derived by dividing profit after tax by revenue from operations.*
9. *Return on Equity refers to the profit for the year/period attributable to equity shareholders of our Company divided by total Equity for the year/period.*
10. *Return on Capital Employed is calculated as earnings before interest and tax divided by Capital Employed. Earnings before interest and tax is calculated as profit / (loss) for the period / year plus total tax expense / (credit) plus finance costs excluding other income. Capital Employed is calculated as total equity plus total borrowings.*
11. *Fixed Asset Turnover is calculated as revenue from operations divided by fixed assets. Fixed asset shall mean aggregate of property, Plant and Equipment, CWIP and Intangible assets.*
12. *EBITDA/Tonne is calculated as EBITDA divided by total tonnes sold.*
13. *Realization/Tonne is calculated as revenue from operations divided by total tonnes sold.*
14. *Utilization rate (%) is calculated as Production (tonnes) divided by Capacity (tonnes).*
15. *NA implies Not Applicable*

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6. **Comparison with Listed Industry Peers**

a. Comparison with listed industry peers for the nine-months period ended December 31, 2024:

Sr. No	Parameters	For the nine months period ended December 31, 2024				
		Scoda Tubes Limited	Ratnamani Metals & Tubes Limited	Venus Pipes & Tubes Limited	Welspun Specialty Solutions Limited	Suraj Limited
1	Revenue from operations (₹ million)	3,611.71	34,713.28	7,003.90	5,235.70	1,749.97
2	Growth in Revenue from Operations (%)	NA	NA	NA	NA	NA
3	EBITDA (₹ million)	606.28	5,213.87	1,259.94	210.70	304.54
4	EBITDA Margin (%)	16.79%	15.02%	17.99%	4.02%	17.40%
5	EBIT (₹ million)	472.57	4,423.04	1,122.55	88.80	224.32
6	EBIT Margin (%)	13.08%	12.74%	16.03%	1.70%	12.82%
7	Profit After Tax (₹ million)	249.14	3,384.11	691.84	-80.30	155.85
8	Profit After Tax Margin (%)	6.90%	9.75%	9.88%	-1.53%	8.91%
9	RoE (%)	17.36%	NA	NA	NA	NA
10	RoCE (%)	13.67%	NA	NA	NA	NA
11	Fixed Asset Turnover (x)	4.16	NA	NA	NA	NA
12	EBITDA/Tonne	61,535.51	NA	NA	NA	NA
13	Realization/Tonne	3,66,577.21	NA	NA	NA	NA

Source:

1. *The financial information for listed industry peers mentioned above is sourced from the audited financial statements of the relevant companies for nine-month period ended on December 31, 2024 as available on the websites of the Stock Exchanges. The comparison is not a recommendation to invest/ disinvest in any entity, including our Company, and should not be construed as investment advice within the meaning of any law or regulation, or used as a basis for any investment decision.*
2. *For the information related to EBITDA/Tonne and Realization/Tonne of the listed peers mentioned above for nine-month period ended on December 31, 2024 is sourced from CRISIL Report.*
3. *NA means the data is not available in financial statements, investor presentation, website etc*

b. Comparison with listed industry peers (Fiscal 2024)

Sr. No	Parameters	For the Fiscal Year 2024				
		Scoda Tubes Limited	Ratnamani Metals & Tubes Limited	Venus Pipes & Tubes Limited	Welspun Specialty Solutions Limited	Suraj Limited
1	Revenue from operations (₹ million)	3,998.61	50,590.90	8,021.98	6,966.70	3,306.65
2	*Growth in Revenue from Operations (%)*	*31.05%*	*13.07%*	*45.22%*	*66.74%*	*-9.81%*
3	EBITDA (₹ million)	587.91	8,971.17	1,463.16	558.3	394.74

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4	*EBITDA Margin (%)*	*14.70%*	*17.73%*	*18.24%*	*8.01%*	*11.94%*
5	EBIT (₹ million)	424.04	7,995.77	1,345.47	403.5	300.9
6	*EBIT Margin (%)*	*10.60%*	*15.80%*	*16.77%*	*5.79%*	*9.10%*
7	Profit After Tax (₹ million)	183	6,250.97	859.79	624.7	215.26
8	*Profit After Tax Margin (%)*	*4.58%*	*12.36%*	*10.72%*	*8.97%*	*6.51%*
9	*RoE (%)*	*28.77%*	*19.90%*	*21.17%*	*67.11%*	*17.57%*
10	*RoCE (%)*	*15.92%*	*24.36%*	*24.22%*	*11.44%*	*19.27%*
11	Fixed Asset Turnover (x)	*4.9*	*3.8*	*2.73*	*3.43*	*3.89*
12	EBITDA/Tonne	65,009.63	NA	66,170	NA	NA
13	Realization/Tonne	442,156.35	NA	3,62,835	NA	3,91,459

c. Comparison with listed industry peers (Fiscal 2023)

Sr. No	Parameters	For the Fiscal Year 2023				
		Scoda Tubes Limited	Ratnamani Metals & Tubes Limited	Venus Pipes & Tubes Limited	Welspun Specialty Solutions Limited	Suraj Limited
1	Revenue from operations (₹ million)	3,051.28	44,744.03	5,523.96	4,178.30	3,666.38
2	*Growth in Revenue from Operations (%)*	*57.26%*	*42.55%*	*42.76%*	*155.88%*	*6.67%*
3	EBITDA (₹ million)	347.84	7,753.88	691.04	167.2	349.75
4	*EBITDA Margin (%)*	*11.40%*	*17.33%*	*12.51%*	*4.00%*	*9.54%*
5	EBIT (₹ million)	233.07	6,920.48	671.33	18.1	270.48
6	*EBIT Margin (%)*	*7.64%*	*15.47%*	*12.15%*	*0.43%*	*7.38%*
7	Profit After Tax (₹ million)	103.36	5,122.82	442.07	-137.4	201.27
8	*Profit After Tax Margin (%)*	*3.39%*	*11.45%*	*8.00%*	*-3.29%*	*5.49%*
9	*RoE (%)*	*22.81%*	*19.67%*	*13.72%*	*-46.78%*	*19.40%*
10	*RoCE (%)*	*12.62%*	*24.47%*	*16.27%*	*0.69%*	*21.57%*
11	Fixed Asset Turnover (x)	*4.91*	*3.66*	*3.04*	*2*	*6.16*
12	EBITDA/Tonne	57,791.46	NA	52,643	NA	NA
13	Realization/Tonne	506,951.29	NA	4,20,809	5,26,977	4,76,897

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d. Comparison with listed industry peers (Fiscal 2022)

Sr. No	Parameters	For the Fiscal Year 2022				
		Scoda Tubes Limited	Ratnamani Metals & Tubes Limited	Venus Pipes & Tubes Limited	Welspun Specialty Solutions Limited	Suraj Limited
1	Revenue from operations (₹ million)	1,940.28	31,387.77	3,869.52	1,632.90	3,437.23
2	*Growth in Revenue from Operations (%)*	*83.21%*	*36.58%*	*25.09%*	*74.77%*	*82.46%*
3	EBITDA (₹ million)	99.89	4,948.08	492.36	-183.8	124.41
4	*EBITDA Margin (%)*	*5.15%*	*15.76%*	*12.72%*	*-11.26%*	*3.62%*
5	EBIT (₹ million)	84.6	4,146.01	478.11	-328.7	51.79
6	*EBIT Margin (%)*	*4.36%*	*13.21%*	*12.36%*	*-20.13%*	*1.51%*
7	Profit After Tax (₹ million)	16.36	3,226.47	316.67	-307.8	30.05
8	*Profit After Tax Margin (%)*	*0.84%*	*10.28%*	*8.18%*	*-18.85%*	*0.87%*
9	*RoE (%)*	*4.68%*	*14.35%*	*24.64%*	*-409.31%*	*3.26%*
10	*RoCE (%)*	*5.84%*	*17.30%*	*24.25%*	*-11.43%*	*4.06%*
11	Fixed Asset Turnover (x)	4.3	3.2	13.48	0.75	7.05
12	EBITDA/Tonne	23,240.62	NA	42,500	NA	NA
13	Realization/Tonne	451,429.58	4,42,077	3,34,011	4,07,479	3,63,481

Source:

1. *The financial information for listed industry peers mentioned above is sourced from the audited financial statements of the relevant companies for Financial Year ended March 31, 2024, March 31, 2023 and March 31,2022 as available on the websites of the Stock Exchanges. The comparison is not a recommendation to invest/ disinvest in any entity, including our Company, and should not be construed as investment advice within the meaning of any law or regulation, or used as a basis for any investment decision.*
2. *For the information related to EBITDA/Tonne and Realization/Tonne of the listed peers mentioned above for Financial Year ended March 31, 2024, March 31, 2023 and March 31,2022 is sourced from CRISIL report.*

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