



CIN: U28111GJ2013PLC076316

**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE AUDIT COMMITTEE MEETING OF ADVANCE TECHNOFORGE LIMITED (FORMERLY KNOWN AS ADVANCE TECHNOFORGE PRIVATE LIMITED) HELD ON WEDNESDAY, MARCH 05, 2025, AT 02:00 PM AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT SR. NO.121, PLOT NO.1 TO 6, AT. & PO. PADAVALA ROAD, OPP. WATERFLOW PIPING SYSTEM, VERAVAL SHAPAR, RAJKOT-360024, GUJARAT, INDIA.**

**APPROVAL OF THE KEY PERFORMANCE INDICATORS ("KPIs") PROPOSED TO BE DISCLOSED IN THE DRAFT OFFER DOCUMENTS FOR THE INITIAL PUBLIC OFFER OF THE COMPANY**

The Chief Financial Officer of the Company apprised the Audit Committee members that in compliance with the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2022, the Audit Committee was required to approve the KPIs of the Company being included in the Draft Offer Document and/or final Offer Documents and/or any other material which the Company intends to circulate and/or file in connection with the Issue ("**Offer Documents**") with the Securities and Exchange Board of India ("**SEBI**"), the Stock Exchange(s), the Registrar of Companies ("**RoC**") and such other authority(ies), as applicable under the relevant law, for the time being in force in India, in respect of the proposed initial public offering of equity shares of face value of Rs. 10 each ("**Equity Shares**") of the Company.

**"RESOLVED THAT** pursuant to the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2022, and other applicable provisions, draft of basis for offer price as placed before the Audit Committee and initialed by the Chairperson, the Audit Committee hereby approves the following key performance indicators to be disclosed in the Offer Documents in respect of the proposed initial public offering of equity shares of the face value of Rs. 10 each Equity Shares of the Company:

**1. Key financial and operational performance indicators ("KPIs")**

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of various verticals.

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 utilisation 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 Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

**Explanation for KPI metrics**

KPI	Explanations
Revenue from Operations (₹ 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.

**Office & Works**

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KPI	Explanations
Total Revenue	Total Revenue is used to tack the total revenue generated by the business including other income.
EBITDA (₹ 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 (₹ 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 shareholders' funds.
Debt To Equity Ratio	Debt-to-equity (D/E) ratio is used to evaluate a company's financial leverage.
Interest Coverage Ratio	The interest coverage ratio is a debt and profitability ratio used to determine how easily a company can pay interest on its outstanding debt.
Return on Capital employed (RoCE) (%)	It is calculated as profit before tax plus finance costs divided by total equity plus total debt.
Current Ratio	It tells management how business can maximize the current assets on its balance sheet to satisfy its current debt and other payables.
Net Capital Turnover Ratio	This metric enables us to track the how effectively company is utilizing its working capital to generate revenue.

Key Performance Indicator (KPI) of our Company

Particular	As of and for the FY			
	31 September 2024	2024	2023	2022
Revenue from Operations (Rs. in lakh)	2,589.74	4,796.41	3,778.88	3,144.29
Other Income (Rs. in lakh)	10.84	27.19	11.67	12.18
<b>Total Income (Rs. in lakh)</b>	<b>2,600.58</b>	<b>4,823.59</b>	<b>3,790.55</b>	<b>3,156.47</b>
EBITDA (Rs. in lakh)	275.48	385.79	234.95	186.88
EBITDA Margin (%)	10.64%	8.04%	6.22%	5.94%
<b>Profit After Tax (PAT) (Rs. in lakh)</b>	<b>134.51</b>	<b>170.49</b>	<b>75.22</b>	<b>39.99</b>
PAT Margin (%)	5.19%	3.55%	1.99%	1.27%
Net worth (Rs. in lakh)	827.83	692.59	522.39	446.78
Total Debt (Rs. in lakh)	1,237.52	1,118.65	851.39	745.88
Return on Equity (ROE) (%)	16.25%	24.62%	14.40%	8.95%
Return on Capital Employed (ROCE) (%)	11.86%	18.07%	13.18%	11.66%
EPS (Rs.)*	2.07	2.62	1.16	0.62
Book Value per Share (Rs.)	12.74	138.52	104.48	89.36
Debt To Equity Ratio	1.49	1.62	1.63	1.67

\*After giving retrospective effect of Bonus issue and based on present paid-up capital of Rs. 650.00 Lakh

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**Notes:**

- a) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- b) Other Income means the business income other than Revenue from Operations as appearing in the Restated Financial Statements.
- c) Total Income refers to Revenue from Operations + Other Income.
- d) EBITDA refers to earnings before interest, taxes, depreciation, amortization, gain or loss from discontinued operations and exceptional items. EBITDA is calculated as Profit before tax + Depreciation + Interest Cost
- e) EBITDA Margin refers to EBITDA during a given period as a percentage of revenue from operations during that period.
- f) PAT Margin i.e. Net Profit Ratio/Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes by our revenue from operations.
- g) Net worth means the aggregate value of the paid-up share capital and reserves & surplus minus deferred expenses.
- h) Return on equity (ROE) is profit after tax for the year divided by the net worth during that period and is expressed as a percentage.
- i) RoCE (Return on Capital Employed) is calculated as profit before tax plus finance costs divided by total equity plus total debt.
- j) EPS (Earning per Share) is calculated as PAT divided by no. of Equity Shares
- k) Book Value per Share is calculated as net worth divided by no. of Equity Shares
- l) Debt to equity ratio is calculated by dividing the total debt by net worth.

**Comparison of financial KPIs of our Company and our listed peers**

KPIs	Advance Technoforge Limited		Tirupati Forge Limited		Forge Auto International Limited	
	FY 2024	FY 2023	FY 2024	FY 2023	25/04/2023 to 31/03/2024	FY 2023*
Revenue from operations (Rs. in lakh)	4,796.41	3,778.88	11,000.15	9,202.98	16941.88	N.A.

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Other Income (Rs. in lakh)	27.19	11.67	92.44	180.89	142.2	N.A.
Total Income (Rs. in lakh)	4,823.59	3,790.55	11,092.59	9,383.87	17,084.08	N.A.
Growth in revenue from operations (%) <sup>(2)</sup>	26.93%	20.18%	19.53%	4.30%	NA	N.A.
Gross Profit (Rs. in lakh)	491.59	314.45	3,698.66	3,611.29	6,225.61	N.A.
Gross Profit Margin (%) <sup>(4)</sup>	10.25%	8.32%	33.62%	39.24%	36.75%	N.A.
EBITDA (Rs. in lakh)	385.79	234.95	1,370.20	1,640.75	1,480.50	N.A.
EBITDA (%) <sup>(6)</sup>	8.04%	6.22%	12.46%	17.83%	8.74%	N.A.
PAT (Rs. in lakh)	170.49	75.22	664.21	942.86	646.4	N.A.
PAT Margin (%) <sup>(8)</sup>	-3.55%	1.99%	6.04%	10.25%	3.82%	N.A.
Net worth (Rs. in lakh)	692.59	522.39	4991.56	3623.84	2058.4	N.A.
Total Debt (Rs. in lakh)	1,118.65	851.39	1313.66	1010.51	3602.32	N.A.
ROE (%) <sup>(9)</sup>	24.62%	14.40%	13.31%	26.02%	31.40%	N.A.
ROCE (%) <sup>(10)</sup>	18.07%	13.18%	19.26%	33.41%	22.72%	N.A.
EPS (Rs.)	2.62	1.16	0.67	0.96	24.95	N.A.
Book Value per Share (Rs.)	138.52	104.48	4.81	3.70	25.60	N.A.
Debt To Equity Ratio	1.62	1.63	0.26	0.28	1.75	N.A.

\*Note: Not Applicable as Forge Auto International Limited has been converted from a Partnership Firm as of April 2023. As a result of this conversion, there is no previous year data available for the company prior to 25th April, 2023

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- g) Net worth means the aggregate value of the paid-up share capital and reserves & surplus minus deferred expenses.
- h) Return on equity (ROE) is profit after tax for the year divided by the net worth during that period and is expressed as a percentage.
- i) RoCE (Return on Capital Employed) is calculated as Earnings Before Interest and Tax (EBIT) (i.e., Profit before tax + Interest) divided by capital employed, which is defined as total equity (i.e. net worth) plus total debt.
- j) EPS (Earning per Share)-is calculated as PAT divided by no. of Equity Shares
- k) Book Value per Share is calculated as net worth divided by no. of Equity Shares
- l) Debt to equity ratio is calculated by dividing the total debt by net worth.

**"RESOLVED FURTHER THAT** consent of the members of the Audit Committee be and is hereby accorded to include the aforesaid KPIs in the Draft Red Herring Prospectus/Red Herring Prospectus / Prospectus or any other document, communication, letters, etc. as may be required for the proposed Issue by the Company."

**RESOLVED FURTHER THAT** a copy of the above resolution, certified to be true by any director of the Company may be forwarded to the concerned authorities for necessary action."

Date: 05.03.2025  
Place: Rajkot

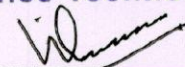
Advance Technoforge Ltd.



PRADIP B. VORA  
Whole-time Director  
DIN: 06637435

CERTIFIED TRUE COPY,  
FOR ADVANCE TECHNOFORGE LIMITED

Advance Technoforge Ltd.



NILESH S. MOLIYA  
Managing Director  
DIN: 03480165

Director

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