



**CERTIFICATE ON RATIOS FOR BASIS FOR ISSUE PRICE**

Date: February 14, 2023

To,

**The Board of Directors**

**Global Surfaces Limited (formerly known as "Global Stones Private Limited")**

PA-010-006, Kalwara, Mahindra World City S.O

Jaipur, Rajasthan-302037, India

**Unistone Capital Private Limited**

A/305, Dynasty Business Park,

Andheri - Kurla Road, Andheri (East),

Mumbai - 400 059, India

(Unistone Capital Private Limited referred to as the "**Book Running Lead Manager**")

Dear Sir(s):

**Sub: Proposed initial public offering of equity shares of ₹ 10 each (the "Equity Shares") of Global Surfaces Limited (the "Company" and such offering, the "Issue")**

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In relation to the Company, we, B Khosla & Co., Chartered Accountants, are an independent firm of chartered accountants, appointed by the Company in terms of our engagement letter dated April 01, 2022 in relation to the Offer.

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 and for the financial years ended March 31, 2020, March 31, 2021, March 31, 2022 and as at and for the financial period ended September 30, 2022 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 red herring prospectus (the "**RHP**") and the 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, the BSE Limited, the National Stock Exchange of India Limited (together, the "**Stock Exchanges**") and the Registrar of Companies, Jaipur, as may be required.

This certificate may be relied upon by the Book Running 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 RHP, the 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 Book Running Lead Manager in connection with the Issue and in accordance with applicable law.



**B. KHOSLA & Co.**  
Chartered Accountants

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

Yours sincerely,

**For B. Khosla & Co.,**  
**Chartered Accountants**  
ICAI Firm Registration No.:000205C

**Sandeep Mundra**  
**Partner**  
Membership No: 075482

Place: Jaipur  
Date: February 14, 2023  
UDIN: 23075482BGWNFA4328



**Annexure A**

**I. As per the restated financial statements**

1. Basic and Diluted Earning Per Share (“EPS”) of ₹ 10 per Equity Share (as adjusted for changes in capital, if any):

| <b>Fiscal</b>   | <b>Basic EPS (in ₹)</b> | <b>Diluted EPS (in ₹)</b> | <b>Weight</b> |
|---|-------------------------|---------------------------|---------------|
| 2020  | 6.19                    | 6.19                      | 1             |
| 2021  | 10.02                   | 10.02                     | 2             |
| 2022  | 10.52                   | 10.52                     | 3             |
| <b>Weighted Average</b>   | <b>9.63</b>             | <b>9.63</b>               |               |
| <b>For the period ended September 30, 2022 (not annualized)</b> | <b>4.01</b>             | <b>4.01</b>               |               |

**Note:**

- i. *Basic EPS: Net Profit after tax as restated divided by weighted average number of Equity Shares outstanding at the end of the year.*
- ii. *Diluted EPS: Net Profit after tax as restated divided by weighted average number of Equity Shares outstanding at the end of the year for diluted EPS.*
- iii. *Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during the year 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.*
- 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 IND-AS 33- “Earnings per Share” notified by Companies (Indian Accounting Standards) Rules, 2015, as amended.*

2. Return On Net Worth (“RoNW”):

| <b>Fiscal</b>   | <b>RoNW (%)</b> | <b>Weight</b> |
|---|-----------------|---------------|
| 2020  | 32.51           | 1             |
| 2021  | 34.47           | 2             |
| 2022  | 26.59           | 3             |
| <b>Weighted Average</b>   | <b>30.20</b>    |               |
| <b>For the period ended September 30, 2022 (not annualized)</b> | <b>9.12</b>     |               |

RoNW is calculated as net profit after tax 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:

**As of September 30, 2022: 43.98**

NAV (book value per share) = Total shareholders’ funds divided by number of shares outstanding as end of Financial year

4. Key Performance Indicators (KPI):

**Financial KPI**

| Sr. No. | Metric                                  | As of and for the six-month period ended September 30, 2022* | As of and for the Fiscal |          |          |
|---------|---|--|--------------------------|----------|----------|
|         |   |  | 2022                     | 2021     | 2020     |
| 1       | Revenue From operations (₹ in Millions) | 979.78   | 1,903.13                 | 1,753.71 | 1,632.91 |
| 2       | Total revenue (₹ in Millions)           | 992.48   | 1,983.57                 | 1,790.03 | 1,657.80 |
| 3       | EBITDA (₹ in Millions)                  | 192.30   | 418.04                   | 474.33   | 403.16   |
| 4       | EBITDA Margin (%)                       | 19.63%   | 21.97%                   | 27.05%   | 24.69%   |
| 5       | Profit after tax (₹ in Millions)        | 135.88   | 356.34                   | 339.32   | 209.64   |
| 6       | PAT Margin (%)                          | 13.87%   | 18.72%                   | 19.35%   | 12.84%   |
| 7       | Return on Equity (ROE) (%)              | 9.12%  | 26.59%                   | 34.47%   | 32.51%   |
| 8       | Debt To Equity Ratio                    | 0.34   | 0.28                     | 0.38     | 0.83     |
| 9       | Interest Coverage Ratio                 | 10.14  | 14.11                    | 13.91    | 7.72     |
| 10      | Return on Capital Employed (ROCE) (%)   | 7.89%  | 20.85%                   | 35.75%   | 32.95%   |
| 11      | Current Ratio                           | 1.52   | 2.37                     | 1.66     | 1.18     |
| 12      | Net Capital Turnover Ratio              | 2.47   | 2.84                     | 5.04     | 18.20    |

\* Ratios for the six-month period ended September 30, 2022 are not annualized.

**Notes:**

- i. Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- ii. EBITDA refers to earnings before interest, taxes, depreciation, amortisation, gain or loss from discontinued operations and exceptional items. EBITDA excludes other income but includes reversal of provision of doubtful debts.
- iii. EBITDA Margin refers to EBITDA during a given period as a percentage of revenue from operations during that period.
- iv. Net Profit Ratio/Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes but before other comprehensive income by our revenue from operations.



- v. Return on equity (RoE) is equal to profit after tax for the year divided by the total equity during that period and is expressed as a percentage.
- vi. Debt to equity ratio is calculated by dividing the debt (excluding lease liabilities) by total equity (which includes issued capital and all other equity reserves).
- vii. Interest Coverage Ratio measures our ability to make interest payments from available earnings and is calculated by dividing EBIDTA by finance cost payment.
- viii. RoCE (Return on Capital Employed) (%) is calculated as profit before tax plus finance costs divided by total equity plus non-current liabilities.
- ix. Current Ratio is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities.
- x. Net Capital Turnover Ratio quantifies our effectiveness in utilizing our working capital and is calculated by dividing our revenue from operations by our working capital (i.e., current assets less current liabilities).

### **Operational KPI**

| Sr. No. | Metric                   | As of and for the six-month period ended September 30, 2022 | As of and for the Fiscal |        |        |
|---------|--------------------------|---|--------------------------|--------|--------|
|         |                          |   | 2022                     | 2021   | 2020   |
| 1       | Operating Margin         | 53.46%  | 54.45%                   | 59.00% | 56.39% |
| 2       | Power Cost Ratio         | 1.42%   | 2.12%                    | 2.80%  | 3.09%  |
| 3       | COGS Ratio               | 46.67%  | 45.83%                   | 41.20% | 43.77% |
| 4       | Inventory Turnover ratio | 0.94  | 2.13                     | 2.47   | 2.83   |

\* Ratios for the six-month period ended September 30, 2022 are not annualized.

### **Notes:**

- i. The operating margin (%) is equal to operating margin divided by revenue from operations. Operating margin is calculated by subtracting cost of material consumed, purchase of stock in trade and changed in inventories of finished goods and work-in-process from revenue from operations.
- ii. The power cost ratio is equal to electricity expenses divided by revenue from sale of good.
- iii. The COGS ratio is equal to sum of cost of material consumed, purchase of stock in trade and changed in inventories of finished goods and work-in-process divided by revenue from sale of goods.
- iv. The inventory turnover is calculated by dividing average inventory from sum of cost of material consumed, purchase of stock in trade and changed in inventories of finished goods and work-in-process