



CERTIFICATE ON KEY PERFORMANCE INDICATORS (MCMD)

To,

The Board of Directors

Denta Water and Infra Solutions Limited

#40, 3rd Floor, Sri Lakshminarayana Mansion,
South End Road, Basavanagudi,
Bangalore, South Bangalore,
Karnataka 560 004, India

SMC Capitals Limited

A-401/402,
Lotus Corporate Park
Off Western Express Highway,
Jai Coach Junction,
Goregaon (East),
Mumbai - 400063
Maharashtra, India

Dear Sirs,

Re: Proposed initial public offering of equity shares of face value of ₹ 10 each (the “Equity Shares”) by Denta Water and Infra Solutions Limited (the “Company”, and such issuance, the “Issue”).

We, Maheshwari & Co, the statutory auditors of the Company. We have received a request from the Company to perform certain procedures with respect to certain identified key performance indicators (“KPI”) of the Company.

We have examined the; (a) restated consolidated financial information of the Company as of and for the financial period/years ended September, 30, 2024, March 31, 2024, March 31, 2023, and March 31, 2022, prepared in accordance with the SEBI ICDR Regulations, the Indian Accounting Standards, the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”) and Companies Act, 2013, as amended and read with the rules, circulars and notifications issued in relation thereto (“Companies Act” and such restated financial information, the “Restated Consolidated Financial Information”); and (c) relevant records, correspondence with regulatory/statutory authority and registers of the Company, including but not limited to, statutory records, minutes of the meetings of the board of directors of the Company, minutes of annual general meeting and extra-ordinary general meetings of the Company, relevant statutory registers, documents, records maintained by the Company, information and explanations presented to us. We have also performed the procedures enumerated in **the Schedules** hereto with respect to the key performance indicators (“KPIs”) of the Company for the financial period/years ended September 30, 2024, March 31 2024, March 31, 2023, and March 31, 2022 (the “Periods”), as set forth in **Annexure A**.

We have read and verified the items/statements identified by the Company in **Annexure A** and have performed the procedures as set out above and in **the Schedules**. Based on our review of such documents and records of the Company as we deemed necessary and the procedures performed by us as set forth above and in **the Schedules** hereto, we confirm that the KPIs, financial, operational and other details pertaining to the Company [(on a consolidated basis)] set forth in **Annexure A** hereto are correct, true and accurate and nothing came to our attention that caused us to believe that the information contained in **Annexure A** was not accurate, valid and complete.

We confirm that the information in this certificate is true, fair, correct, complete, accurate and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context and will enable investors to make a well-informed decision.

We further confirm that we are not related in any manner to the promoters or directors of the Company, or otherwise interested in the formation of management of the Company.

Our engagement was undertaken in accordance with the Standard on Related Services (SRS) 4400, “Engagements to Perform Agreed-upon



M/s Maheshwari & Co. Chartered Accountants

Procedures regarding Financial Information” (“**SRS 4400**”), issued by the Institute of Chartered Accountants of India. SRS 4400 is generally adopted to perform agreed upon procedures regarding financial information.

We hereby confirm that while providing this certificate we have complied with the Code of Ethics and 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.

We have conducted our examination in accordance with the ‘Guidance Note on Reports or Certificates for Special Purposes’ issued by the Institute of Chartered Accountants of India (“**ICAI**”) which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI. We hereby confirm that while providing this certificate we have complied with the Code of Ethics issued by the ICAI.

This certificate is issued for the purpose of the Issue, and can be used, in full or part, for inclusion in the updated draft red herring prospectus, presentations, red herring prospectus, prospectus and any other material used in connection with the Issue (together, the “**Offer Documents**”) which may be filed by the Company with Securities and Exchange Board of India (“**SEBI**”), BSE Limited and National Stock Exchange of India Limited (collectively, the “**Stock Exchanges**”), Registrar of Companies, Karnataka at Bangalore (the “**RoC**”) and / or any other regulatory or statutory authority.

We hereby consent (i) to our name Maheshwari & Co., Chartered Accountants and the aforementioned details being included in the Offer Documents; and (ii) to the submission of this certificate to any regulatory/ statutory/judicial/governmental 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. We also give our consent to include this certificate as part of the section titled “Material Contracts and Documents for Inspection” in the Offer Documents which will be available to the public for inspection and on the website(s) of the Company.

This certificate may be relied on by the BRLM, their affiliates and Legal Counsel in relation to the Issue and to assist the BRLM in conducting and documenting their investigation and due diligence of the affairs of the Company in connection with the Issue. We hereby consent to this certificate letter being disclosed by the BRLM, if required (i) by reason of any law, regulation, order or request of a court or by any governmental or competent regulatory authority, or (ii) in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

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 in the Issue commence trading on the relevant Stock Exchanges. In the absence of any such communication from us, the Company, the BRLM and the Legal Counsel 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 correct.

All capitalized terms used but not defined herein shall have the meaning assigned to them in the Offer Documents.

For and on behalf of
Maheshwari & Co.
Chartered Accountants
Firm Registration Number: 105834W


Pawan Gattani
Partner



Date: January 16, 2025
Place: Mumbai
UDIN: 25144734BMJFOQ2884

Encl: Annexure A and Schedules

CC:
Dentons Link Legal (“Legal Counsel”)
Aiwan-e-Ghalib Complex,
Mata Sundri Lane,
New Delhi 110 002, India



Annexure A

Key performance indicators of the Company

The KPIs disclosed below are the KPIs pertaining to the Company that have been disclosed to our investors at any point of time during the three years period prior to the date of the filing of the Red Herring Prospectus and Prospectus and which have been used historically by the Company to understand and analyse our business performance, which in result, helps us analyse the growth of various verticals in comparison to our peers, as well as other relevant and material KPIs of the business of the Company that have a bearing for arriving at the basis for the Issue Price.

The KPIs disclosed herein below have been approved by a resolution of the Audit Committee dated [December 30, 2024].

A list of our KPIs for the period/year ended September 30, 2024, March 31, 2024, 2023 and 2022 is set out below:

KPIs	For the period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations ⁽¹⁾	977.80	2,385.98	1,743.24	1,195.72
Revenue Growth (%) ⁽²⁾	NA	36.87%	45.79%	272.84%
Total Income ⁽³⁾	985.10	2,415.51	1,757.47	1,196.35
Operating EBITDA ⁽⁴⁾	327.65	794.23	669.60	518.11
Operating EBITDA Margin (%) ⁽⁵⁾	33.51%	33.29%	38.41%	43.33%
Restated profit for the period / year after tax ("PAT") ⁽⁶⁾	241.99	597.25	501.12	383.37
PAT Margin (%) ⁽⁷⁾	24.75%	25.03%	28.75%	32.06%
Net Worth ⁽⁸⁾	1,884.72	1,642.56	1,045.47	544.31
Return on Equity (RoE) (%) ⁽⁹⁾	12.84%	36.36%	47.93%	70.43%
Return on Capital Employed (RoCE) (%) ⁽¹⁰⁾	18.96%	77.27%	95.98%	126.60%
EPS ⁽¹¹⁾	12.60	31.11	26.10	19.97

Notes:

1. Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Information.
2. Revenue Growth (%) is calculated as Revenue from operations for the current year / period minus Revenue from operations for the previous year as a % of Revenue from operations for the previous year / period.
3. Total income includes revenue from operation and other income.
4. Operating EBITDA is calculated as profit before tax, plus finance costs and depreciation and amortisation expenses, less other income.
5. Operating EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations
6. Restated profit for the period / year after tax ("PAT") refers to profit after tax attributable to owners of the Company as appearing in the Restated Financial Information.
7. PAT Margin (%) is calculated as PAT divided by revenue from operations.
8. 'Net worth' means the aggregate value of the paid-up equity share capital and other equity, each on a restated basis.
9. RoE is calculated as PAT divided by total equity.
10. RoCE is calculated as Earnings before interest and taxes (EBIT) divided by Capital Employed. EBIT is calculated as EBITDA minus depreciations. Capital Employed is calculated as Total Equity plus borrowing (long term and short term) minus cash and bank balances.
11. EPS is calculated as Restated profit for the year attributable to equity shareholders / Weighted average number of equity shares.



Explanation for the key performance indicators

The list of the KPIs along with brief explanation of the relevance of the KPI for the business operations of the Company are set forth below:

KPIs	Explanations
Revenue from Operations	Revenue from Operations is used by the management to track the revenue profile of the business and in turn helps assess the overall financial performance of the company and size of the business
Revenue Growth (%)	Revenue Growth (%) is calculated as Revenue from operations for the current period/year minus Revenue from operations for the previous period/ year as a % of Revenue from operations for the previous period/year
Operating EBITDA	Operating EBITDA is calculated as Restated profit before exceptional items and tax minus Other Income plus Finance Costs, Depreciation, and amortisation expense.
Operating EBITDA Margin (%)	Operating EBITDA Margin (%) is the percentage of Operating EBITDA divided by Revenue from operations.
EBITDA	EBITDA is calculated as Operating EBITDA plus Other Income.
EBITDA Margin (%)	EBITDA Margin (%) is calculated as EBITDA divided by Total Income
PAT Margin (%)	PAT Margin (%) is calculated as Restated profit (after tax) for the period / year as a % of Total Income.
Net Worth	Net worth has been defined as the aggregate value of the paid-up equity share capital and all reserves created out of the profits 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 and write-back of depreciation as on September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations, as amended.
Return on Equity (RoE) (%)	ROE is calculated as PAT as a % of Total Equity.
Return on Capital Employed (RoCE) (%)	ROCE is calculated as EBIT as a % of Capital employed wherein capital employed refers to sum of Total Equity and Net Debt. EBIT is calculated as operating EBITDA minus depreciation and amortisation.
EPS	PAT/Weighted average number of Equity Shares outstanding during the period/year. The weighted average number of Equity Shares outstanding during the period/year is adjusted for bonus issue of Equity Shares



M/s Maheshwari & Co. Chartered Accountants

Comparison of KPIs of the Company and listed peers For the Financial Year Ended March 31 2024, March 31, 2023 and March 31, 2022:

Particulars	Our Company			VA Tech Wabug			EMS Limited		
	FY 2023-24	FY 2022-23	FY 2021-22	FY 2023-24	FY 2022-23	FY 2021-22	FY 2023-24	FY 2022-23	FY 2021-22
Revenue From Operations ⁽¹⁾	2,385.9 8	1,743.2 4	1,195.7 2	28,564. 00	29,604. 8	29,793. 00	7,933.1 0	5,381.6 2	4,772.3 7
Total Income ⁽²⁾	2,418.3 7	1,757.4 7	1,196.3 5	28,998. 00	30,140. 8	30,116. 90	8,090.6 8	5,432.7 7	4,814.1 6
Operating EBIDTA ⁽³⁾	791.37	669.60	518.11	3,662.0 0	3,435.8	2,370.0 0	2,038.4 7	1,500.0 8	1,127.0 9
Operating EBIDTA Margin ⁽⁴⁾	33.17%	38.41%	43.33%	12.82%	11.61%	7.95%	25.70%	27.87%	23.62%
Profit for the period / year after tax ("PAT") ⁽⁵⁾	597.25	501.12	383.37	2,504.0 0	109.3	1,320.6 0	1,526.6 3	1,088.5 1	790.29
PAT Margin ⁽⁶⁾	25.03%	28.75%	32.06%	8.77%	0.36%	4.38%	19.24%	20.04%	16.42%
Operating Cash Flow	268.95	514.64	(78.03)	1,335.0 0	849.8	116.4	(1,160.1 6)	(122.76)	276.01
Net Worth ⁽⁷⁾	1,642.5 6	1,045.4 7	544.31	18,186. 00	15,746. 30	15,258. 60	7,981.3 0	4,907.2 2	3,828.8 8
Net Debt ⁽⁸⁾	(620.97)	(351.67)	(135.75)	(1,593.0 0)	326.6	1,074.8 0	(16.78)	(362.79)	(573.40)
Debt Equity Ratio ⁽⁹⁾	0.01	0.01	-	0.15	0.14	0.28	0.09	0.09	0.01
ROCE ⁽¹⁰⁾	76.99%	95.98%	126.60 %	21.56%	2.90%	13.40%	24.77	19.00%	20.00%
ROE ⁽¹¹⁾	36.36%	47.93%	70.43%	14.76%	0.70%	9.00%	23.69%	25.00%	23.00%
Unbilled Revenue ⁽¹²⁾	422.63	77.42	12.27	-	-	-	-	-	-

Note: Data has been extracted from respective Annual Reports

1. Revenue from operation means revenue from sales and other operating revenues.
2. Total Income represents the total turnover of our business i.e., Revenue from Operations and Other Income, if any.
3. Operating EBITDA means Profit before depreciation, finance cost, tax, and amortization & less other income.
4. 'Operating EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations.
5. Restated profit for the period / year after tax ("PAT") refers to profit after tax attributable to owners of the Company as appearing in the Restated Financial Information.
6. 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.
7. Net worth means 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 restated balance sheet, but does not include reserves created out of revaluation of assets, capital reserve arising on consolidation, capital redemption reserve, write-back of depreciation and amalgamation.
8. Net debt = non-current borrowing + current borrowing – Cash and Cash Equivalent.
9. Debt equity ratio means ratio of total debt (long term plus short-term including current maturity of long-term debt) and Equity Share capital plus other equity.
10. Return on Capital Employed (ROCE) is calculated as Earnings before interest and taxes (EBIT) divided by Capital Employed. EBIT is calculated as EBITDA minus depreciations. Capital Employed is calculated as Total Equity plus borrowing (long term and short term) minus cash and bank balances.
11. Return on Equity is ratio of Profit after Tax and Average Shareholder Equity.
12. Unbilled revenue is the revenue for which work completed but invoice not raised.