

8. Certificate on key performance indicators

Date: 30/08/2024

The Board of Directors,  
Garuda Construction and Engineering Limited  
201, A Wing Fortune 2000,  
C-3 Block Bandra Kurla Complex,  
Bandra (East), Mumbai - 400051,  
Maharashtra, India

Corpwis Advisors Private Limited  
G-07, Ground Floor, The Summit Business Park,  
Andheri Kurla Road, Behind Guru Nanak Petrol Pump,  
Andheri East, Chakala Midc, Mumbai, 400 093

(Corpwis Advisors Private Limited and any other Book Running Lead Managers which may be appointed in relation to the Offer are collectively referred to as the "Book Running Lead Managers" or "BRLMs" in relation to the Offer)

**Re: Proposed initial public offering of equity shares of face value of ₹ 5 each (the "Equity Shares") of Garuda Construction and Engineering Limited (the "Company" and [such offering, the "Fresh Issue"] and an offer for sale of Equity Shares by certain existing shareholders of the Company (the "Offer for Sale", and together with the Fresh Issue, the "Offer"))]**

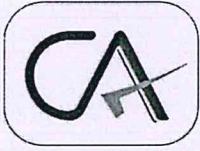
We have been requested to verify the information included in Annexure A, which is proposed to be included in the updated draft red herring prospectus ("UDRHP") intended to be filed by the Company with the Securities and Exchange Board of India (the "SEBI"), BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges") and the red herring prospectus ("RHP") and the prospectus ("Prospectus") intended to be filed with the Registrar of Companies, Maharashtra at Mumbai (the "RoC") and thereafter filed with the SEBI and the Stock Exchanges, and other Offer related documents.

We have examined the: (a) restated financial statements of the Company for the financial years ended March 31, 2022, March 31, 2023, March 31, 2024, and for the One month ended April 30, 2024, prepared in accordance with the 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 Financial Information"); and (b) 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 the committees meetings, 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 below with respect to the operational Key Performance Indicators including business metrics and operational data of the Company ("KPIs") of the Company as of the respective dates and for the respective period mentioned against each KPI (the "Periods"), as set forth in the accompanying annexures.

The procedures were performed to assist in evaluating the KPIs of the Company and accordingly, the procedures undertaken with respect to the aforesaid are summarized below:

- (i) tracing financial data from [BPAS (Business Process Automated System)] records;
- (ii) reviewed the online and offline inventory and store management maintained by the Company;
- (iii) reviewed the process chain from order to final delivery of the products and services;
- (iv) tracing numbers from the Company's billing systems; and
- (v) MIS prepared by the finance department of the Company.





# MITTAL AGARWAL & COMPANY

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Our engagement has been undertaken in accordance with the Standard on Related Services (SRS) 4400 (“SRS 4400”) “Engagements to Perform Agreed-upon Procedures regarding Financial Information”, issued by the Institute of Chartered Accountants of India. SRS 4400 is generally adopted to perform agreed upon procedures regarding financial information, however, this standard can also be used as a guide to perform agreed upon procedures regarding non-financial information. We have conducted our examination for this certificate in accordance with the ‘Guidance Note on Reports or Certificates for Special Purposes’ (“Guidance Note”) issued by the Institute of Chartered Accountants of India.

The KPIs disclosed below have been used historically by the Company to understand and analyze the business performance, which in result, help the company in analyzing the growth of various verticals in comparison to the company’s peers. The following KPIs to have a bearing for arriving at the basis for the Issue Price The table below also sets forth a brief explanation of and the importance of these KPIs for business and operations, along with details of KPIs as at for One month period ended April 30, 2024 and for the financial years ended March 31 2024, March 31, 2023 and March 31, 2022

(Rs. In Lakhs)

Key Financial Performance	Period Ended 30 <sup>th</sup> April, 2024	Year Ended 31 <sup>st</sup> March, 2024	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Revenue from operations <sup>(1)</sup>	1,187.50	15,417.83	16,068.76	7,702.08
Total Revenue	1,187.50	15,446.88	16,102.41	7,702.79
EBITDA <sup>(2)</sup>	470.81	5,008.56	5,599.17	2,716.85
EBITDA margin as of revenue from operations <sup>(%)</sup> <sup>(3)</sup>	39.65%	32.49%	34.85%	35.27%
PAT <sup>(4)</sup>	350.17	3,643.53	4,079.53	1,878.22
PAT Margin <sup>(5)</sup>	29.49%	23.63%	25.39%	24.39%
Net Debt <sup>(6)</sup>	-	-	-	510.64
Net Worth	12,250.81	11,900.64	8,261.18	4,179.04
Inventories <sup>(8)</sup>	738.01	738.01	660.46	270.00
Trade Receivables <sup>(9)</sup>	18,256.37	17,624.24	7697.71	3017.34
ROE (%) <sup>(10)</sup>	2.90%	36.14%	65.59%	57.97%





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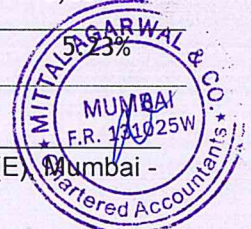
Key Financial Performance	Period Ended 30 <sup>th</sup> April, 2024	Year Ended 31 <sup>st</sup> March, 2024	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
ROCE (%) <sup>(11)</sup>	3.87%	46.69%	70.85%	40.46%

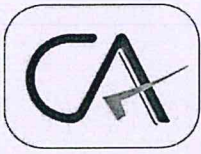
## Notes:

- 1) **Revenue from Operations:** This represents the income generated by the Company from its core operating operation.
- 2) **EBITDA:** calculated as restated profit/(loss) before tax, plus interest, depreciation & amortization expense, less other Income. This gives information regarding the operating profits generated by the Company in comparison to the revenue from operations of the Company.
- 3) **EBITDA Margin (in %):** calculated as the percentage of EBITDA during a given year/period divided by revenue from operations. This gives information regarding operating efficiency of the Company.
- 4) **Profit after tax and non-controlling interest:** This gives information regarding the overall profitability of the Company.
- 5) **PAT Margin (in %):** calculated as the restated profit after tax and non-controlling interest attributable to equity shareholders of the Company divided by the revenue from operations. This gives information regarding the overall profitability of the Company in comparison to revenue from operations of the Company.
- 6) **Net debt:** calculated as Non-current borrowing plus current borrowing less Cash & Cash Equivalent and Bank Balance. This gives information regarding the overall debt of the Company.
- 7) **Total Equity:** This represents the aggregate value of equity share capital and the other equity. This gives information regarding total value created by the entity and provides a snapshot of current financial position of the entity.
- 8) **Inventories:** This represents closing balance of construction work -in-progress of respective projects.
- 9) **Trade Receivables:** This represents amount receivable on sale of inventories.
- 10) **Return on Equity (ROE):** calculated as Profit After Tax for the year/period attributable to shareholders divided by Average Equity Shareholders Fund
- 11) **Return on Capital Employed (ROCE):** Calculated as earnings before Interest and tax for the year/period excluding other income divided by Average Capital Employed (Total Assets - Current Liability excluding short terms borrowings).

The table disclosed below are comparison of KPIs with listed Industry Peers:

Key Financial Performance	Garuda Construction and Engineering Limited	PSP Projects Limited	Capacite Infraprojects Limited	Vascon Engineers Limited	Ahluwalia Contracts (India) Limited	B L Kashyap and Sons Limited
Revenue from operations	16,068.76	1,93,780.60	1,79,858.70	1,01,938.23	2,83,839.33	1,10,997.61
Total Revenue	16,102.41	1,96,280.69	1,80,810.56	1,03,042.55	2,86,791.08	1,12,987.49
EBITDA	5,599.17	23,006.38	36,088.01	12,801.00	30,412.84	11,771.43
EBITDA margin as of revenue from operations	34.85%	11.87%	20.06%	12.56%	10.71%	10.61%
PAT	4,079.53	13,194.12	9,529.12	9,749.10	19,397.68	5,804.27
PAT Margin	25.39%	6.81%	5.30%	9.56%	6.83%	5.23%





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Key Financial Performance	Garuda Construction and Engineering Limited	PSP Projects Limited	Capacite Infraprojects Limited	Vascon Engineers Limited	Ahluwalia Contracts (India) Limited	B L Kashyap and Sons Limited
Net Debt	-	5,087.43	31,897.92	8,180.93	-	26,965.65
Net Worth	8,261.18	80,099.25	1,07,344.65	91,176.74	1,22,833.19	44,469.60
Inventories	660.46	15,312.26	9,854.69	47,254.30	24,402.75	34,614.09
Trade Receivables	7697.71	43,386.65	34,766.71	21,770.67	60,629.18	41,977.42
ROE (%)	65.59%	17.73%	9.35%	11.32%	17.14%	13.38%
ROCE (%)	70.85%	24.77%	13.92%	11.12%	23.16%	11.68%

*#Based on the restated financial statements as at March 31, 2023 for our company and annual reports of the listed peers for the year ended March 31, 2023 for our listed peers.*

*#The KPIs are calculated with the same formulas as calculated for our company in the table above.*

All the KPIs disclosed above have been approved by the Audit Committee pursuant to resolution dated 30<sup>th</sup> August 2024. The Audit Committee has confirmed and taken on record that: (a) no KPIs have been shared by the Company with any investors in the last three financial years prior to filing of this Draft Red Herring Prospectus, and (b) verified details of the aforementioned KPIs have been included in this section.

We confirm that the information in this certificate is true, fair, correct, accurate and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

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 Institute of Chartered Accountants of India.

This certificate is issued for the purpose of the Offer, and can be used, in full or part (without disturbing the essence of the certificate), for inclusion in the updated draft red herring prospectus, red herring prospectus, prospectus and any other material used in connection with the Offer (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, Maharashtra at Mumbai ("Registrar of Companies") and / or any other regulatory or statutory authority.

We hereby consent to our name and the aforementioned details being included in the Offer Documents and/or consent to 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 BRLMs in connection with the Offer and in accordance with applicable law.

This certificate may be relied on by the BRLMs, their affiliates and legal counsel in relation to the Offer and to assist the BRLMs in conducting and documenting their investigation of the affairs of the Company in connection with the Offer. We hereby consent to this certificate being disclosed by the BRLMs, 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 to the BRLMs and the Company until the equity shares allotted in the Offer commence trading on the relevant





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stock exchanges. In the absence of any such communication from us, the Company, the BRLMs and the legal advisor appointed with respect to Offer 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.

## Restriction of Use

*Our views are based on the information, explanations and representations obtained from the Company and our independent verification of thereof. This certificate has been prepared solely in connection with the proposed Offer of the Company under the SEBI ICDR Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.*

Yours faithfully,

For Mittal Agarwal & Company  
Chartered Accountants  
(Registration No. 131025W)

*Deepesh Mittal*  
Deepesh Mittal  
Partner

Membership No. 539486

Place: Mumbai

Date: 30/08/2024

UDIN: 24539486BKFMFM1849



CC:

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