

**Certificate on Key Performance Indicators**

To,

**The Board of Directors,  
DEE Development Engineers Limited**  
Unit 1, Prithla-Tatarpur Road,  
Village Tatarpur  
Palwal, Faridabad  
Haryana - 121102

**Equirus Capital Private Limited**  
12th Floor, C Wing, Marathon Futurex  
N M Joshi Marg, Lower Parel  
Mumbai - 400 013, Maharashtra, India

**SBI Capital Markets Limited**  
1501, 15th Floor, A & B Wing, Parinee Crescenzo  
G Block, Bandra Kurla Complex, Bandra (E)  
Mumbai 400 051, Maharashtra, India

(Equirus Capital Private Limited and SBI Capital Markets Limited are hereinafter individually referred to as the **Book Running Lead Manager** and collectively as the **Book Running Lead Managers**)

**Re: Proposed initial public offering of equity shares of face value of ₹ 10 each (the "Equity Shares" and such offering, the "Offer") of 'DEE Development Engineers Limited' (the "Company")**

Dear Sirs,

We, VSD & Associates, an independent firm of chartered accountants of the Company have been requested by the Company to verify and certify certain financial, business and operational data pertaining to the Company and, its subsidiaries. In this relation, we have examined the key performance indicators (i.e., financial, business and operational data) set out in **Annexure A** and certify that the data set out in Annexure A have been correctly calculated based on the restated consolidated financial statements as at and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, and the acceptable practices which have been appropriately disclosed therein where relevant, which have been derived and extracted from the restated consolidated financial statements, are complete in all respects.

We hereby consent to the extracts of this certificate being used in the Draft Red Herring Prospectus (the "**DRHP**") to be filed with the Securities and Exchange Board of India ("**SEBI**") and the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**" and together with the BSE, the "**Stock Exchanges**") and the Red Herring Prospectus (the "**RHP**") and the Prospectus ("**Prospectus**" and together with the DRHP and RHP, the "**Offer Documents**"), to be filed with the Registrar of Companies ("**ROC**") and submitted to SEBI and the Stock Exchanges with respect to the Offer, and any other regulatory or governmental authorities, and in any other material used in connection with the Offer, and on the website of the Company in connection with the Offer.

We undertake to update you of any change in the above-mentioned disclosures until the Equity Shares commence trading on the Stock Exchanges. In the absence of any such communication from us, the above information should be considered as an updated information until the Equity Shares commence trading on the Stock Exchanges, pursuant to the Offer.

This certificate is for information and for inclusion, in part or in full, in the Offer Documents or any other Offer related material, and may be relied upon by the Company, the Book Running Lead Managers and the legal advisors



to the Offer. We hereby consent to the submission and disclosure of this certificate as may be necessary to the SEBI, the ROC, the Stock Exchanges and any other regulatory or governmental authorities, and for any other litigation purposes, and for the records to be maintained by the Book Running Lead Managers in accordance with applicable law and for disclosure on the website of the Company in connection with the Offer.

All capitalized terms not defined herein bear the meaning ascribed to them in the Offer Documents.

Yours Sincerely,

For VSD & Associates  
Chartered Accountants  
Firm Registration No. 008726N



Vaibhav Gupta  
Partner  
Membership No. 519066

Place: Delhi  
Date: 28/09/2023  
Peer Review Certificate No. 13012  
UDIN: 23519066 BGVAWD2976

CC:

**Legal Counsel to the Company as to Indian Law**

**Trilegal**  
One World Centre,  
10th Floor, Tower 2A & 2B,  
Senapati Bapat Marg,  
Lower Parel (West),  
Mumbai - 400 013

**Legal Counsel to the Book Running Lead Managers**

**Luthra and Luthra Law Offices**  
1st and 9th Floor  
Ashoka Estate  
Barakhamba Road  
Delhi - 110 001

**Annexure A**

Particulars	DEE Development Engineers Limited			ISGEC Heavy Engineering Limited		
	FY21	FY22	FY23	FY21	FY22	FY23
<b>Operational Performance</b>						
Order Book	3,356.78	4,345.70	5,633.53	61,970	73,220	83,210
<b>Financial Performance</b>						
Revenue from contracts with customers	4,952.17	4,609.16	5,954.95	54,255.67	54,993.43	63,990.39
Revenue from contracts with customers (y-o-y)	NA	(6.93%)	29.20%	NA	1.40%	16.40%
Total Income	5,130.26	4,708.39	6,143.20	54,773.33	55,125.78	64,117.13
Total Income Growth (y-o-y)	NA	(8.20%)	30.50%	NA	0.60%	16.30%
EBITDA	536.84	646.07	691.76	4,549.66	3,113.58	4,546.03
EBITDA Margin (%)	10.84%	14.02%	11.62%	8.39%	5.66%	7.10%
Restated Profit Before Tax	89.49	132.94	203.72	3,558.13	1,581.00	2,900.30
Restated Profit Before Tax Margin (%)	1.81%	2.88%	3.42%	6.56%	2.87%	4.53%
Restated Profit for the year	142.05	81.97	129.72	2,530.72	1,149.85	2,055.41
Restated Profit for the year Margin (%)	2.87%	1.78%	2.18%	4.66%	2.09%	3.21%
ROCE (%)	2.47%	3.99%	3.91%	11.73%	6.11%	9.66%
RONW (%)	3.17%	2.04%	3.14%	12.60%	5.44%	8.96%
Net Debt	2,246.77	2,600.86	3,198.28	7,009.86	10,685.86	9,898.89
Net Debt to Total Equity	0.49	0.63	0.75	0.35	0.50	0.43

*Notes:*

“EBITDA” refers to restated profit for the year, as adjusted to exclude (i) other income, (ii) depreciation and amortization expenses, (iii) finance costs, (iv) total tax expenses, and (v) share of profit of a Jointly controlled entity.

“EBITDA margin” refers to the percentage margin derived by dividing EBITDA by revenue from contracts with customers.

“Restated Profit before tax margin” is Non-GAAP financial measures. “PBT margin” means profit before tax margin, which represents restated profit before tax as a percentage of revenue from contracts with customers.

“Restated Profit after tax margin represents restated profit for the year as a percentage of revenue from contracts with customers.

RoCE” means return on capital employed, which represents EBIT (Earnings before Interest and Tax) during the relevant year as a percentage of capital employed. Capital employed is the total of all types of capital, other equity, total borrowings, total lease liabilities and deferred tax liabilities (net) less deferred tax assets (net) as of the end of the relevant year

“RONW” means return on net-worth, return on net worth is the restated profit for the year divided by the net worth



*“Net-debt” is calculated as total of non-current borrowings and current borrowings minus total of cash and cash equivalents and bank balances. “Net-debt to Total Equity” is calculated as net debt divided by total equity.*

*Source: All the financial information for listed industry peers mentioned above is on a consolidated basis and is sourced from the financial results of the respective company for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 submitted to Stock Exchanges.*

*All the financial information for the Company mentioned above is on a consolidated basis.*

