

CERTIFICATE ON KEY PERFORMANCE INDICATORS (KPIs)

To,

**The Board of Directors,
Ramdevbaba Solvent Limited**
Bhaiya building,
Anaj bazar, Itwari,
Nagpur 440 002
Maharashtra, India.

and

Choice Capital Advisors Private Limited
Sunil Patodia Tower,
Plot No. 156-158, JB Nagar,
Andheri (East), Mumbai 400 099,
Maharashtra, India.

(Choice Capital Advisors Private Limited referred to as the “Book Running Lead Manager”)

Dear Sirs,

Re: Proposed initial public offering of Equity shares of face value of Rs. 10 each (the “Equity Shares” and such initial public offer, an “IPO” or “Issue”) of Ramdevbaba Solvent Limited (the “Company”).

We, **M/s Borkar & Muzumdar**, Chartered Accountants (FRN: 101569W), the statutory auditors of the Company hereby certify the following:

1. the Key Performance Indicators (the “**KPIs**”) of the Company, details of which are provided in **Annexure I**, have been correctly calculated based on restated audited financial statements as of and for quarter ended June 30, 2023 and the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 (the “**Restated Financial Statements**”) and the acceptable practices which have been appropriately disclosed in the **Annexure I** where relevant, derived and extracted from the Restated Audited Financial statements, are complete in all respects;
2. The details of comparison of KPIs of the Company with listed peers as of and for quarter ended June 30, 2023 and the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 which have been appropriately disclosed in the **Annexure II**; and

To evaluate the accuracy, validity and completeness of KPIs:

- (i) We have read the items identified by you on the attached copy of the Draft Red Herring Prospectus (“**DRHP**”), received by us on the date of this certificate and have compared the amounts to the corresponding amounts and details set out in the **Annexures** and found them to be in agreement.
- (ii) reviewed the restated audited financial statements of the Company, as of and for three months period ended on June 30, 2023 and the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 (Restated Financial Statements);



- (iii) reviewed the financial statements of the listed peers of the Company mentioned in the **Annexure II**, which are available on the public domain; reviewed restated audited financial statements of the Company, as of and quarter ended June 30, 2023 and the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021;
- (iv) reviewed the register of members, register of share allotments, register of share transfers, form filings made by the Company in relation to share allotments with the relevant Registrar of Companies, Maharashtra at Mumbai (the “**RoC**”), share certificates/ BENPOS statement, bank account statements of the Company, as on the date of this certificate;
- (v) copy of board meeting minutes and audit committee minutes of the Company;
- (vi) register for loans, guarantee, security and acquisition maintained by the Company
- (vii) Compared the amounts/ metrics with, or recalculated the percentages based on, corresponding amounts/ metrics appearing in a schedule prepared by officials of the Company based on the accounting and other records of the Company and found them to be in agreement. We verified the mathematical accuracy of such schedule prepared by the officials of the Company. We also compared the amount identified in such schedule with the corresponding amount appearing in the relevant accounting records of the Company and found them to be in agreement; and
- (viii) Verified the arithmetic accuracy or computation of the percentages or amounts.

On the basis of the procedures set forth above we confirm that KPIs are accurate, valid and complete.

At your request, we have also read the items identified by you on the attached copy of the DRHP and have compared the amounts to the corresponding amounts set out in the Annexures and found them to be in agreement.

We further confirm that we are an independent entity with no direct or indirect interest in the Company except for provision of professional services in the ordinary course of our profession. We further confirm that we are not, and have not been, engaged or interested in the formation or promotion of the management of the Company.

We undertake to update you of any change in the above-mentioned disclosures until the Equity Shares commence trading on the Stock Exchange. 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 Exchange, pursuant to the Issue.

We hereby consent for inclusion of this certificate or any extracts or annexures thereof, in full or part, in the Draft Red Herring Prospectus (DRHP) to be submitted with Emerge platform of National Stock Exchange of India (the “**Stock Exchange**”) and Red Herring Prospectus (RHP), and the Prospectus (“**Prospectus**” and together with DRHP and RHP, the “**Offer Documents**”), to be filed with the Registrar of Companies, Mumbai at Maharashtra (**ROC**) and submitted with the Stock Exchange where the equity shares of the Company are proposed to be listed with respect to the Issue, and in any other material used in connection with the Issue and may be relied upon by the Company, the Book Running Lead Manager and legal advisor appointed in relation to the Issue by the BRLM and the legal advisor in relation to the Issue.

We further consent that this certificate may be used for the purpose of any defense the BRLMs may wish to advance in any claim or proceeding in connection with the contents of the Offer Documents and for purpose of the records to be maintained by the Book Running Lead Manager.

We also give our consent to include this letter of consent and the Report as part of the section titled



“Material Contracts and Documents for Inspection” in the DRHP, RHP and the Prospectus which will be available to the public for inspection and on the website(s) of the Company.

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

Yours faithfully,

For and on behalf of

**M/s Borkar & Muzumdar,
Chartered Accountants,
Firm Registration No. : 101569W**


Vinod Agrawal
Partner



Membership No.: 404449
UDIN: 23404449BGXMQJ9939
Place: Nagpur
Date: 27th December, 2023

Encl: As above

CC:

Legal Counsel to Issue

Desai & Diwanji (MSME Division)
Forbes Building, 4th floor,
Charanjit Rai Marg,
Fort, Mumbai 400 001
Maharashtra, India

Annexure I

Key Performance Indicators

(Amount in ₹ lakhs)

Metrics	For three months ended June 30, 2023*	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022	Financial Year ended March 31, 2021
Financial				
Revenue from Operations ⁽¹⁾	16,778.29	69,775.26	58,287.73	42,392.50
Gross Profit ⁽²⁾	3,043.24	11,173.60	9,505.71	8,155.20
Gross Profit Margin ⁽³⁾	18.14%	16.01%	16.31%	19.24%
EBITDA ⁽⁴⁾	786.31	2,515.52	1,946.76	1,650.42
EBITDA Margin ⁽⁵⁾ (in %)	4.69%	3.61%	3.34%	3.89%
Net Profit after tax ⁽⁶⁾	357.46	1300.15	659.15	617.06
Net Profit Margin ⁽⁷⁾ (in %)	2.13%	1.86%	1.13%	1.46%
Return on Net Worth ⁽⁸⁾ (in %)	6.80%	31.46%	20.90%	23.97%
Return on Capital Employed ⁽⁹⁾ (in %)	4.22%	15.26%	14.07%	16.50%
Debt-Equity Ratio ⁽¹⁰⁾	1.77	2.07	1.86	1.58
Total Asset Turnover ⁽¹¹⁾ (in times)	0.88	4.33	5.01	4.68
Days Working Capital ⁽¹²⁾	33	30	30	29

*Not annualized

Notes:

- (1) Revenue from operations represents the revenue from sale of products of our Company as recognized in the Restated financial information.
- (2) Gross profit represents revenue from operations less cost of goods sold. Cost of goods sold comprises of cost of materials consumed, Purchases of Stock-In-Trade and Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade.
- (3) Gross profit margin is calculated as gross profit as a percentage of revenue from operations.
- (4) EBITDA means Earnings before interest, taxes, depreciation and amortization expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year / period and adding back finance costs, depreciation, and amortization expense.
- (5) EBITDA margin is calculated as EBITDA as a percentage of revenue from operations.
- (6) Net Profit after tax represents the restated profits of our Company after deducting all expenses.
- (7) Net Profit margin is calculated as restated net profit after tax for the year/period divided by revenue from operations.
- (8) Return on net worth is calculated as Net profit after tax, as restated, attributable to the owners of the Company for the year/ period divided by Average Net worth. Average net worth means the average of the aggregate value of the paid-up share capital and reserves and surplus of the current and previous financial year/period.
- (9) Return on capital employed calculated as Earnings before interest and taxes divided by average capital employed (average capital employed calculated as average of the aggregate value of total equity, total debt and deferred tax liabilities of the current and previous financial year/period).
- (10) Debt- equity ratio is calculated by dividing total debt by total equity. Total debt represents long term and short term borrowings. Total equity is the sum of equity share capital and reserves and surplus.
- (11) Total Asset Turnover is calculated as Net revenue from operations divided by Average Total Assets.
- (12) Days Working Capital is arrived at by dividing working capital (current assets excluding cash and cash equivalents less current liabilities excluding short term borrowings) by revenue from operations multiplied by the number of days in the year/period (365/91).



Annexure II

Comparison of KPIs of the Company with listed peers

Metrics	Ramdev Baba Solvent Limited				BCL Industries Limited				Gokul Refoils and Solvent Limited			
	Three months ended June 30, 2023	Financial Year 2023	Financial Year 2022	Financial Year 2021	Three months ended June 30, 2023	Financial Year 2023	Financial Year 2022	Financial Year 2021	Three months ended June 30, 2023	Financial Year 2023	Financial Year 2022	Financial Year 2021
Financial												
Revenue from Operations	16,778.29	69,775.26	58,287.73	42,392.50	42,866.81	181,832.84	198,773.70	142,722.92	58,802.46	313,656.80	305,302.67	246,466.59
Gross Profit	3,043.24	11,173.60	9,505.71	8,155.20	11,192.22	40,965.62	33,187.04	20,808.88	3,287.15	16,516.56	13,826.55	14,441.87
Gross Profit Margin	18.14%	16.01%	16.31%	19.24%	26.11%	22.53%	16.70%	14.58%	5.59%	5.27%	4.53%	5.86%
EBITDA	786.31	2,515.52	1,946.76	1,650.42	4,129.89	13,027.58	14,569.84	9,661.13	1,425.42	6,614.79	6,094.27	5,229.86
EBITDA Margin (in %)	4.69%	3.61%	3.34%	3.89%	9.63%	7.16%	7.33%	6.77%	2.42%	2.11%	2.00%	2.12%
Net Profit after tax	357.46	1300.15	659.15	617.06	1,975.52	6,435.45	8,477.38	4,215.33	252.57	2,413.81	2,652.40	2,045.63
Net Profit Margin (in %)	2.13%	1.86%	1.13%	1.46%	4.61%	3.54%	4.26%	2.95%	0.43%	0.77%	0.87%	0.83%
Return on Net Worth (in %)	6.80%	31.46%	20.90%	23.97%	NA	15.19%	26.03%	16.79%	NA	7.64%	9.13%	7.03%
Return on Capital Employed (in %)	4.22%	15.26%	14.07%	16.50%	NA	13.46%	23.41%	19.15%	NA	8.20%	8.85%	8.52%
Debt-Equity Ratio	1.77	2.07	1.86	1.58	NA	0.91	0.71	0.64	NA	1.28	1.21	1.02
Total Asset Turnover	0.88	4.33	5.01	4.68	NA	1.96	2.86	2.32	NA	3.72	3.95	3.79
Days Working Capital	33	30	30	29	NA	62	51	65	NA	53	50	56

**Not annualized*



Metrics	Ramdev Baba Solvent Limited				Gujarat Ambuja Exports Limited				Kriti Nutrients Limited			
	Three months ended June 30, 2023	Financial Year 2023	Financial Year 2022	Financial Year 2021	Three months ended June 30, 2023	Financial Year 2023	Financial Year 2022	Financial Year 2021	Three months ended June 30, 2023	Financial Year 2023	Financial Year 2022	Financial Year 2021
Financial												
Revenue from Operations	16,778.29	69,775.26	58,287.73	42,392.50	116,299.00	490,899.00	467,031.00	470,530.00	21,182.47	78,687.14	75,288.02	69,005.57
Gross Profit	3,043.24	11,173.60	9,505.71	8,155.20	31,521.00	136,242.00	144,913.00	121,502.00	2,966.86	7,095.06	7,326.40	7,825.68
Gross Profit Margin	18.14%	16.01%	16.31%	19.24%	27.10%	27.75%	31.03%	25.82%	14.01%	9.02%	9.73%	11.34%
EBITDA	786.31	2,515.52	1,946.76	1,650.42	12,871.00	54,905.00	58,925.00	56,142.00	1,885.32	2,562.82	2,267.12	2,463.79
EBITDA Margin (in %)	4.69%	3.61%	3.34%	3.89%	11.07%	11.18%	12.62%	11.93%	8.90%	3.26%	3.01%	3.57%
Net Profit after tax	357.46	1300.15	659.15	617.06	7,090.00	33,010.00	32,351.00	33,807.00	1,258.39	1,433.05	1,230.52	1,505.68
Net Profit Margin (in %)	2.13%	1.86%	1.13%	1.46%	6.10%	6.72%	6.93%	7.18%	5.94%	1.82%	1.63%	2.18%
Return on Net Worth (in %)	6.80%	31.46%	20.90%	23.97%	NA	14.50%	17.14%	12.87%	NA	11.70%	11.53%	16.02%
Return on Capital Employed (in %)	4.22%	15.26%	14.07%	16.50%	NA	17.66%	22.96%	16.27%	NA	13.11%	14.62%	20.72%
Debt-Equity Ratio	1.77	2.07	1.86	1.58	NA	0.09	0.13	0.09	NA	0.29	0.31	0.01
Total Asset Turnover	0.88	4.33	5.01	4.68	NA	1.72	1.90	2.41	NA	4.36	5.15	5.48
Days Working Capital	33	30	30	29	NA	101	86	57	NA	40	31	24

**Not annualized*



Metrics	Ramdev Baba Solvent Limited				Shri Venkatesh Refineries Limited			
	Three months ended June 30, 2023	Financial Year 2023	Financial Year 2022	Financial Year 2021	Three months ended June 30, 2023	Financial Year 2023	Financial Year 2022	Financial Year 2021
Financial								
Revenue from Operations	16,778.29	69,775.26	58,287.73	42,392.50	15,284.02	62,912.23	61,195.23	33,695.48
Gross Profit	3,043.24	11,173.60	9,505.71	8,155.20	897.01	3,468.85	3,157.02	1,532.61
Gross Profit Margin	18.14%	16.01%	16.31%	19.24%	5.87%	5.51%	5.16%	4.55%
EBITDA	786.31	2,515.52	1,946.76	1,650.42	757.62	2,820.55	2,609.18	1,047.65
EBITDA Margin (in %)	4.69%	3.61%	3.34%	3.89%	4.96%	4.48%	4.26%	3.11%
Net Profit after tax	357.46	1300.15	659.15	617.06	345.36	1,433.52	1,407.23	350.80
Net Profit Margin (in %)	2.13%	1.86%	1.13%	1.46%	2.26%	2.28%	2.30%	1.04%
Return on Net Worth (in %)	6.80%	31.46%	20.90%	23.97%	NA	24.09%	35.18%	13.83%
Return on Capital Employed (in %)	4.22%	15.26%	14.07%	18.03%	NA	20.03%	24.07%	13.87%
Debt-Equity Ratio	1.77	2.07	1.86	1.58	NA	1.17	1.39	2.04
Total Asset Turnover	0.88	4.33	5.01	4.68	NA	4.07	5.22	4.19
Days Working Capital	33	30	30	29	NA	64	49	51

**Not Annualized*

Notes:

- 1) Source: All the information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from their respective investor presentation/ annual reports available in public domain. The ratios have been computed as per the following definitions.
- 2) Revenue from operations represents the revenue from sale of products of our Company as recognized in the Restated financial information.
- 3) Gross profit represents revenue from operations less cost of goods sold. Cost of goods sold comprises of cost of materials consumed, Purchases of Stock-In-Trade and Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade.
- 4) Gross profit margin is calculated as gross profit as a percentage of revenue from operations.
- 5) EBITDA means Earnings before interest, taxes, depreciation and amortization expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year / period and adding back finance costs, depreciation, and amortization expense.
- 6) EBITDA margin is calculated as EBITDA as a percentage of revenue from operations.
- 7) Net Profit after tax represents the restated profits of our Company after deducting all expenses.
- 8) Net Profit margin is calculated as restated net profit after tax for the year/period divided by revenue from operations.



- 9) *Return on net worth is calculated as Net profit after tax, as restated, attributable to the owners of the Company for the year/ period divided by Average Net worth. Average net worth means the average of the aggregate value of the paid-up share capital and reserves and surplus of the current and previous financial year/period.*
- 10) *Return on capital employed calculated as Earnings before interest and taxes divided by average capital employed (average capital employed calculated as average of the aggregate value of total equity, total debt and deferred tax liabilities of the current and previous financial year/period).*
- 11) *Debt- equity ratio is calculated by dividing total debt by total equity. Total debt represents long term and short term borrowings. Total equity is the sum of equity share capital and reserves and surplus.*
- 12) *Total Asset Turnover is calculated as Net revenue from operations divided by Average Total Assets.*
- 13) *Days Working Capital is arrived at by dividing working capital (current assets excluding cash and cash equivalents less current liabilities excluding short term borrowings) by revenue from operations multiplied by the number of days in the year/period (365/91).*

