



**CERTIFICATE ON MAJOR RAW MATERIAL PURCHASED & OTHER GENERAL  
INFORMATION**

Date – 26.09.2024

To,  
**The Board of Directors**  
**Deepak Builders and Engineers India Limited,**  
Ahluwalia Chambers, 1st Floor,  
Plot No. 16 & 17, Local Shopping Centre,  
Madangir, Near Pushpa Bhawan,  
New Delhi, Delhi, India, 110062

**Re: Proposed initial public Issue (“IPO”) of equity shares of face value Rs. 10 each (“Equity Shares”) by Deepak Builders & Engineers India Limited (“Company”) (the “Offer”) in accordance with the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”), and other applicable laws, as amended.**

We, Parmod G Gupta & Associates, Chartered Accountants, Ludhiana, FRN – 018870N, the present statutory auditors of the Company, have been informed by the Company that it proposes to undertake the Offer in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”) and the Companies Act, 2013, as amended (“Companies Act”). We have received a request from the Company to provide certain confirmations in relation to the major amount of raw material purchased and other general information of the Company.

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 reviewed the restated financial statements of the Company as on June 30, 2024 and for the Fiscals 2024, 2023 and 2022, which was audited in accordance with the Companies Act, 2013, as amended and the rules framed thereunder, the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India and restated in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “Restated Financial Statements”).

In this regard, we have obtained and reviewed the various documents related to purchases of major raw material under various categories and other general information of the company, prepared by management of the Company as disclosed in **Annexures A, B, C and D**, as on June 30, 2024 and compared the amount as per such schedule with the Restated Financial Statements as at June 30, 2024, of the Company, to confirm the accuracy and completeness of such amounts to the extent applicable. We have also reviewed the ledger accounts of purchases, creditors, invoices, copy of tax notices and other documents that we have deemed necessary in this regard.

Based on our examination and as per information and explanation given to us, 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.





**PARMOD G. GUPTA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**(A Peer Reviewed Firm)**

We conducted our examination of the information given in this certificate (including the information there to) in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India ("ICAI"), as revised from time to time, to obtain a reasonable assurance that such details are in agreement with the books of accounts and other relevant records provided to us, in all material respects; the aforesaid Guidance Note requires that we comply with the ethical requirements of the 'Code of Ethics' issued by the ICAI, as revised from time to time. Further, we have complied with the relevant applicable requirements of 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', as revised from time to time.

This certificate is issued for the purpose of the Offer, and can be used, in full or part, for inclusion in the draft red herring prospectus, updated draft red herring prospectus, red herring prospectus, prospectus and any other material used in connection with the Offer (together, the "Offer Documents").

This certificate may be relied on by the BRLM, their affiliates and legal counsel in relation to the Offer and to assist the BRLM in conducting and documenting their investigation of the affairs of the Company in connection with the Offer. 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.

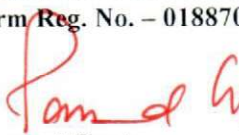
We hereby indemnify and keep indemnified, saved, defended and harmless the BRLM and Legal Counsel to the proposed Offer of the Company and all persons claiming under them ("Indemnified Persons"), from and against all losses and/or damages arising as a result of the aforementioned representations made by us in order to disclose details of the same in the Abridged Prospectus for the Offer or arising as a result of any notices, proceedings, litigations, claims, penalties, demands and costs that may be made and/or raised on the Indemnified Persons by any third parties and/or with regard to any matter arising in connection thereto or otherwise by reason of the matter contemplated herein and/or sustained by the BRLM and/or Legal Counsel to the Offer as a result of any statements, representations, assurances, confirmations hereinunder given being untrue.

We undertake to update you of any changes in the abovementioned position until the date the Equity Shares issued pursuant to the Offer commence trading on the stock exchanges. In the absence of any communication from us till the Equity Shares commence trading on the stock exchanges, you may assume that there is no change in respect of the matters covered in this certificate.

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

Yours Sincerely,

For Parmod G Gupta & Associates,  
Chartered Accountants  
Firm Reg. No. – 018870N

  
Parmod Gupta  
Partner  
Membership No. – 096109  
UDIN – 24096109BKDSGC5779





Ludhiana

**PARMOD G. GUPTA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**(A Peer Reviewed Firm)**

CC:

**Fedex Securities Private Limited**

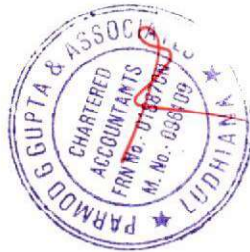
3rd Floor, B Wing, Jay Chambers,  
Dayaldas Road, Vile Parle East,  
Mumbai – 400057

(\*Fedex Securities Private Limited is referred to as the “Book Running Lead Manager” or “BRLM”)

**Vidhigya Associates**

501, 5<sup>th</sup> Floor, Jeevan Sahakar Building  
Sir P M Road, Homji Street  
Fort, Mumbai - 400 001

(\*Vidhigya Associates is referred to as the “Legal Counsel to the Offer”)



### Annexure A

The detail of major purchases under various categories for the three months period ended as on as of June 30, 2024 and for the Fiscals 2024, 2023 and 2022 are detailed as below –

Particulars	For the three months period ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Steel (₹ in million)	224.19	1,090.88	1,659.40	1,119.95
% to Total Purchases	29.03%	35.05%	42.55%	38.12%
Cement (₹ in million)	33.13	258.57	318.94	192.24
% to Total Purchases	4.29%	8.31%	8.18%	6.54%



### Annexure B

The detail of cost incurred towards engaging sub-contractors during the three months period ended as on as of June 30, 2024 and for the Fiscals 2024, 2023 and 2022 are detailed as below –

(₹ in millions)

Particulars	For the three months period ended June 30, 2024	% of Total expense incurred	Fiscal 2024	% of Total expense incurred	Fiscal 2023	% of Total expense incurred	Fiscal 2022	% of Total expense incurred
Cost incurred towards engaging sub-contractors	8.31	1.00%	69.93	1.61%	49.70	1.22%	27.73	0.81%



### Annexure C

The detail of contingent liabilities for the three months period ended as on as of June 30, 2024 and for the Fiscals 2024, 2023 and 2022 are detailed as below –

(₹ in million)

S. No.	Particulars	As at 30.06.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
1	Bank Guarantees Issued	2,932.82	3,025.50	2,749.09	1,375.80
<b><u>Outstanding Statutory Demands</u></b>					
(a)	The Income Tax Department has raised demand u/s 153(C) r.w.s. 143(3) of the I.T. Act, 1961 for an amount of ₹8.60 Millions relevant to A.Y. 2020-21 and the Company has filed the appeal with the Honourable CIT (Appeal) and the case is yet to be adjudicated.				
(b)	The Income Tax Department has raised demand u/s 154 of the I.T. Act, 1961 for an amount of ₹5.63 Million relevant to A.Y. 2023-24 and the Company has filed the appeal with the Honourable CIT (Appeal) and the case is yet to be adjudicated.				
(c)	The Company has on Outstanding TDS Demand of ₹3.68 Million. The Company is in the process of rectification of the same.				
(d)	Scrutiny Notice pertaining to the Fiscal 2020 amounting to ₹26.00 million (inclusive of late fees and interest) has been received under Goods and Services Tax Act, 2017.				
(e)	Show Cause Notice amounting to ₹7.83 million along with interest of ₹4.43 million and penalty of ₹7.83 million under Section 74 of the Goods and Services Tax Act, 2017 has been imposed on the Company.				
(f)	Show Cause Notice amounting to ₹5.08 million along with interest and penalty under Section 74(1) of the Goods and Services Tax Act, 2017 has been imposed on the Company.				
(g)	Notices amounting to ₹0.002 million has been received intimating the discrepancies in GST Return for Fiscal 2023.				
(h)	Intimation amounting to ₹2.27 million along with interest and penalty under Section 73(5) of the Goods and Services Act, 2017 has been imposed on the Company.				
(i)	Show Cause Notice vide Form GST DRC - 01 dated May 31, 2024 under section 73 of the CGST / SGST Act, 2017 read with Section 20 of the IGST Act, 2017 for mismatch of liability declared amounting to ₹8.58 million (inclusive of interest and penalty) for Fiscal 2020.				
(j)	Show Cause Notice vide Form GST DRC - 01 dated May 7, 2024 under section 73 of the CGST / SGST Act, 2017 read with Section 20 of the IGST Act, 2017 for mismatch of liability declared amounting to ₹0.004 million (inclusive of interest and penalty) for the month of March 2024.				
(k)	Show Cause Notice amounting to ₹3.75 million along with interest and penalty under Section 74(1) of the Goods and Services Tax Act, 2017 has been imposed on the Company.				



### Annexure D

The detail of other general information for the three months period ended as on as of June 30, 2024 and for the Fiscals 2024, 2023 and 2022 are detailed as below –

(a)

(₹ in million except ratios)

S. No.	Parameter	For the three months period ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
1.	Total Income	1,063.37	5,167.42	4,354.60	3,649.87
2.	Revenue from operations	1,051.08	5,114.02	4,334.55	3,630.52
3.	Current Ratio	1.71	1.65	1.46	1.26
4.	EBITDA	314.44	1,175.39	528.93	438.71
5.	EBITDA Margin(%)	29.92%	22.98%	12.20%	12.08%
6.	Net Profit for the year	142.12	604.10	213.95	176.64
7.	Net Profit Margin(%)	13.52%	11.81%	4.94%	4.87%
8.	RoNW(%)	9.57%	52.39%	26.80%	28.40%
9.	RoCE(%)	8.97%	41.72%	26.10%	27.26%
10.	Net Debt / EBITDA Ratio	4.83	1.30	1.77	1.81
11.	Debt Equity Ratio	0.91	1.00	1.04	1.11

Notes:

1. Total Income means of total of revenue from operations and other income appearing in the Restated Financial Statement.
2. 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.
- 3.
4. Revenue from Operations means the revenue from operations as appearing in the Restated Financial Statement.
5. EBITDA is calculated as restated profit / (loss) for the period / year, plus finance costs, total taxes, and depreciation and amortisation expense.
6. EBITDA Margin (%) is calculated as EBITDA divided by revenue from operations.
7. Net Profit means restated profit / (loss) for the period/year as appearing in the Restated Financial Statement.
8. Net Profit Margin refers to the percentage margin derived by dividing Profit after Tax by revenue from operations.
9. Return on Net worth attributable to the Equity Shareholders of our Company (%) = Restated net profit for the period/year attributable to Equity Shareholders of our Company / Restated Average Net worth attributable to the Equity Shareholders of our Company as at the end of the period/year. Return on Net worth attributable to the Equity Shareholders of the company is a non-GAAP measure.
10. Return on Capital Employed is calculated as adjusted EBITDA less depreciation and amortisation / Average Capital Employed. Capital Employed is calculated as total equity plus total borrowings plus total lease liabilities and deferred tax liabilities(net) minus deferred tax assets (net). Average Capital Employed means Opening Capital Employed plus Closing Capital Employed divided by two (2)
11. Net Debt to EBITDA Ratio is a measurement of leverage, calculated as a company's interest-bearing liabilities minus cash or cash equivalents, divided by its EBITDA.
12. Debt Equity ratio is calculated as total borrowings divided total equity less revaluation surplus available to the equity shareholders of the Company.

(b)

(₹ in million except ratios)

S. No.	Parameter	For the three months period ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
1.	Total Income	1,063.37	5,167.42	4,354.60	3,649.87
2.	Revenue from operations	1,051.08	5,114.02	4,334.55	3,630.52
3.	EBITDA	314.44	1,175.39	528.93	438.71
4.	EBITDA Margin(%)	29.92%	22.98%	12.20%	12.08%
5.	Net Profit for the year	142.12	604.10	213.95	176.64
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