



Certificate on Key Performance Indicator

Date: 14th January, 2025

To,

The Board of Directors
Rexpro Enterprises Limited
Building No 2, WING A & B, Survey No -36,
Hissa No 13, Waliv Village, Dhumal Nagar,
Vasai, Maharashtra, India - 401208

Horizon Management Private Limited
19 R N Mukherjee Road,
Main Building, 2nd Floor,
Kolkata- 700 001,
West Bengal, India

(Horizon Management Private Limited referred to as the “Book Running Lead Manager”)

Dear Sir(s),

Sub: Proposed initial public offering of equity shares of ₹ 10 each (the “Equity Shares”) of Rexpro Enterprises Limited (the “Company” and such offering, the “Issue”)

We, the statutory auditors of the Company, have received a request from the Company to verify and certify the Key Performance Indicator of the Company.

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 six months up to September 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 accounting 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.

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 six months period ended September 30, 2023 and for the financial years ended March 31 2024, March 31, 2023 and March 31, 2022.

(₹ in lakhs)

Key Financial Performance	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations ⁽¹⁾	4,954.98	8,298.66	6,287.99	3,566.93
Total Revenue	4,956.47	8,301.10	6,289.18	3,571.48
EBITDA ⁽²⁾	626.46	806.10	164.05	130.48
EBITDA Margin (%) ⁽³⁾	12.64%	9.71%	2.61%	3.66%
PAT	408.27	518.34	63.95	51.61
PAT Margin (%) ⁽⁴⁾	8.24%	6.25%	1.02%	1.45%
Trade Receivables days ⁽⁵⁾	163.00	78.00	70.00	73.00
Inventory days ⁽⁶⁾	188.00	67.00	46.00	54.00
Trade Payable days ⁽⁷⁾	231.00	125.00	91.00	74.00
Return on equity (%) ⁽⁸⁾	31.22%	56.24%	13.63%	12.73%
Return on capital employed (%) ⁽⁹⁾	36.66%	62.21%	19.89%	23.96%
Debt-Equity Ratio (times) ⁽¹⁰⁾	0.50	0.65	0.87	0.81
Current Ratio (times) ⁽¹¹⁾	1.29	1.22	1.06	1.13

KPIs disclosed above has been approved by the Audit Committee of the Company in their meeting held on dated January 13, 2025.

Notes:

- (1) Revenue from operation means revenue from sale of the products
- (2) EBITDA is calculated as Profit before tax + Depreciation + Finance Costs - Other Income
- (3) EBITDA Margin is calculated as EBITDA divided by Total Revenue
- (4) PAT Margin is calculated as PAT for the period/year divided by Total Revenue
- (5) Trade receivable days is calculated as average trade receivables divided by Total Revenue multiplied by 365 for fiscal years
- (6) Inventory days is calculated as average inventory divided by cost of goods sold multiplied by 365 for fiscal years.
- (7) Trade payable days is calculated as average trade payables divided by cost of goods sold multiplied by 365 for fiscal years. Cost of Goods Sold have been defined as cost of materials consumed plus purchases of stock-in-trade plus changes in inventories of finished goods, stock-in-trade, work-in-progress
- (8) Return on Equity is calculated by comparing the proportion of net income against the amount



of shareholder equity

- (9) *Return on Capital Employed is calculated as follows: Profit for the year plus finance cost plus tax expenses (EBIT) divided by Total Assets - Current Liabilities*
- (10) *Debt to Equity ratio is calculated as Total Debt divided by equity*
- (11) *Current Ratio is calculated by dividing Current assets to Current Liabilities*

The Company has confirmed that till the date on which the Equity Shares are listed and commence trading on SME Platform of National Stock Exchange of India Limited, (“**Stock Exchange**”), any acquisition and/or sale of any Equity Shares of the Company by its Promoter will immediately be intimated to us and the Book Running Lead Manager to the Issue.

We hereby confirm that we have conducted our examination of the information given in this certificate (including the annexures thereto) in accordance with the ‘*Guidance Note on the Reports or Certificates for Special Purposes (Revised 2016)*’ 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 Notes requires that we comply with the ethical requirements of the ‘Code of Ethics’ issued by the ICAI, as revised from time to time. We also confirm that 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,’ issued by the ICAI.

We hereby consent to the extracts of this certificate being used in the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus of the Company (hereinafter referred to as the “**Offer Documents**”) in connection with the Issue. We also consent to the submission of this certificate as may be necessary, to any regulatory authority and / or for the records to be maintained by the Book Running Lead Manager in connection with the Issue and in accordance with applicable law.

This certificate may be relied on by the Book Running Lead Manager and the legal counsel in relation to the Issue.

We confirm that any changes to the above that we may be aware of shall immediately be intimated to the Book Running Lead Manager till the date the Equity Shares of the Company commence trading on the Stock Exchange. In the absence of any communication from us, you may assume that there is no change in respect of the matters covered in this certificate.

Terms capitalised and not defined herein shall have the same meaning as ascribed to them in the Draft Red Herring Prospectus.

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 sincerely,



MITTAL AGARWAL & COMPANY
CHARTERED ACCOUNTANTS

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

Deepesh Mittal

Deepesh Mittal
Partner
Membership No. 539486
Place: Mumbai



Date: 14/01/2025
UDIN: 25539486BMKSHM6122

CC:

Legal counsel to the Issue

Devanshi B. Desai
B/3, Atylya Apartment, Near Patel Samaj,
Wadi, Opposite Government Colony, Tithal Road,
Valsad - 396 001