



SKLR & CO LLP

CHARTERED ACCOUNTANTS

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Certificate No.: SKLR/RJ/23-24/018

To,
The Board of Directors,
Suraj Estate Developers Limited
301, 3rd Floor, Aman Chambers,
Veer Savarkar Marg, Opp Bengal Chemicals,
Prabhadevi, Mumbai - 400 025,
Maharashtra, India

And

ITI Capital Limited
ITI House, 36, Dr. R K Shirodkar Road,
Parel, Mumbai 400 012
Maharashtra, India

Anand Rathi Advisors Limited
11th Floor, Times Tower,
Kamla City, Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013
Maharashtra, India

(ITI Capital Limited and Anand Rathi Advisors Limited are hereinafter individually referred to as the "Book Running Lead Manager/ BRLM" and collectively as the "Book Running Lead Managers/ BRLMs")

Re: Proposed initial public offering of equity shares of face value of Rs. 5 each (Equity Shares) by 'Suraj Estate Developers Limited' (the "Company") comprising fresh issue of Equity Shares (the "Issue").

1. Certificate on Connection with Operational Key Performance Indicators (KPI's)

This certificate is issued in accordance with the terms of our engagement letter dated 6th November 2023.

We M/s **SKLR & CO LLP (FRN: W100362)**, are the statutory auditors of the Company have been requested by the Board of Directors of Suraj Estate Developers Limited (hereinafter referred to as the 'Company') (CIN - U99999MH1986PLC040873) having its registered office at 301, 3rd Floor, Aman Chambers, Veer Savarkar Marg, Opp. Bengal Chemicals, Prabhadevi, Mumbai - 400025, to issue Certificate on Connection with Operational Key Performance Indicators (KPI's) of the Company and Peer companies.

This certificate is required in relation to Proposed initial public offering of equity shares of face value of Rs. 5 each (Equity Shares) by 'Suraj Estate Developers Limited' (the "Company") comprising fresh issue of Equity Shares (the Issue") for onward submission to ITI Capital Limited and Anand Rathi Advisors Limited (BRLMs).

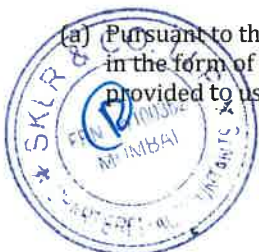
2. Management's responsibility

The accompanying Statement, including the creation and maintenance of all accounting and other records supporting its contents, is solely the responsibility of the Management of the Company. The Company's Management is responsible for the designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

The responsibility of the management is to provide all the information and explanations required in connection with the aforesaid certification.

3. Practitioner's responsibility

(a) Pursuant to the requirement as given in para 1 above, it is our responsibility to express a limited assurance in the form of this certificate based on our verification of relevant records and information and explanation provided to us, in respect of information given in the certificate.



- (b) We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
- (c) 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.
- (d) For the purpose of this certificate, we have reviewed and relied on the following information to evaluate the accuracy, validity and completeness of KPIs:
- (i) Read the items identified in the attached copy of the red herring prospectus (“RHP”), 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 consolidated financial statements (“**Restated Consolidated Financial Statements**”) of the Company, as at and for the financial years ended 31 March 2023, 31 March 2022 and 31 March 2021 as audited by M/s Bhuwania & Agrawal Associates (“**Previous Auditor**”);
- (iii) Relied on the details of listed peers of the Company for the Financial Information for the three months period ended 30 June, 2023 and financial year ended on 31 March 2023 as provided by the Management as mentioned in the **Annexure II**, which are available on the public domain;
- (iv) Reviewed restated audited consolidated financial statements of the Company and the audited financial statements of the Subsidiaries, as at and for the financial year ended 31 March 2023;
- (v) 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 have 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
- (vi) Verified the arithmetic accuracy or computation of the percentages or amounts;
- (e) For the purpose of this certificate, we have also relied on the certificate dated 24 July, 2023 on similar subject matter issued by M/s Bhuwania & Agarwal Associates, Chartered Accountants (Previous Auditor).

4. Conclusion

Based on the information and explanation provided and details as mentioned in para 3 above, we hereby certify the following:

- (a) The Key Performance Indicators (the “KPIs”) of the Company, its subsidiaries and its partnership firms, details of which are provided in **Annexure I**, have been correctly calculated based on Audited Restated Consolidated Financial Statements Information for the three months period ended 30 June, 2023 and financial year ended on 31 March 2023, 31 March 2022 and 31 March 2021 (the “**Restated Consolidated Financial Statements**”) and the acceptable practices which have been appropriately disclosed in the **Annexure I** where relevant, derived and extracted from the Audited Restated Consolidated Financial Statements, are complete in all respects;
- (b) The details of comparison of KPIs of our Company with listed peers during the financial year ended 31 March 2023 have been appropriately disclosed in the **Annexure II**; and
- (c) The details of additions/ acquisitions or dispositions of entities/ Subsidiaries made by the Company during the Financial Information for the three months period ended 30 June, 2023 and financial year ended on 31 March 2023, 31 March 2022 and 31 March 2021 along with the comparison of KPIs of the Company with



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such entities/ Subsidiaries during the said period in which such additions/ acquisitions or dispositions of entities/ Subsidiaries by the Company have been appropriately disclosed in the **Annexure III**;

At your request, we have also read the items identified by you on the attached copy of the RHP 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 the 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.

5. Restrictions on use

We hereby consent for inclusion of this certificate or any extracts or annexures thereof, in full or part, in the Red Herring Prospectus (**RHP**) and the Prospectus (**Prospectus** and together with **RHP**, the "**Issue Documents**"), to be filed with the Registrar of Companies, Mumbai (**ROC**) and submitted to 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**") with respect to the Issue, and in any other material used in connection with the Issue and may be relied upon by the BRLMs and the legal advisors appointed by the Company and the BRLMs 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 Issue Documents and for purpose of the records to be maintained by the BRLM.

We confirm that the information above is true, fair, correct, accurate, not misleading and without omission of any matter that is likely to mislead, and adequate to enable investors to make a well-informed decision.

This certificate may be relied on by the BRLMs, their affiliates and legal counsels in relation to the Issue.

We undertake to update you in writing of any changes in the above-mentioned position, until the date the Equity Shares issued pursuant to the Issue 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 herein and not specifically defined shall have the same meaning as ascribed to them in the Issue Documents.

Yours sincerely,
For SKLR & Co LLP
Chartered Accountants
Firm Registration no. W100362

Blawali

Rakesh Jain
Partner
Membership No.: 123868
UDIN: **23123868BHBRKW2403**
Date: **06-12-2023**
Place: Mumbai



CC:

Crawford Bayley & Co.
State Bank of India Building,
4th Floor, N.G.N. Vaidya Marg,
Fort, Mumbai – 400 023,

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Annexure I
(Certificate No.: SKLR/R/23-24/018)

Report in Connection with Key Performance Indicators

(In ₹ million, except for percentage)

Particulars	For the three months ended June 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations ⁽¹⁾	1024.10	3,057.44	2,727.18	2,399.87
EBITDA ⁽²⁾	467.32	1,510.03	1,317.33	866.29
EBITDA margin as of revenue from operations (%) ⁽³⁾	45.64%	49.39	48.30	36.10
PAT ⁽⁴⁾	145.28	320.64	265.04	62.77
PAT Margin (%) ⁽⁵⁾	14.19%	10.49	9.72	2.62
Net Debt ⁽⁶⁾	5,509.53	5,650.73	6,145.63	5,796.25
Total Equity ⁽⁷⁾	861.05	713.92	391.63	291.47
Inventories ⁽⁸⁾	6341.09	6,522.70	6,209.75	5,652.80
Trade Receivables ⁽⁹⁾	1563.11	1,130.45	932.31	806.65
ROE (%) ⁽¹⁰⁾	18.68%	58.18	77.22	23.62
ROCE (%) ⁽¹¹⁾	6.78%	21.93	19.42	14.51

Notes:

- 1) Revenue from Operations: This represents the income generated by our Company from its core operating operation.
- 2) EBITDA: calculated as restated profit/(loss) before tax, plus interest and depreciation & amortization expense, less other Income. This gives information regarding the operating profits generated by our Company in comparison to the revenue from operations of our 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 our Company.
- 4) Profit after tax and non-controlling interest: This gives information regarding the overall profitability of our Company.
- 5) PAT Margin (in %): calculated as the restated profit after tax and non-controlling interest attributable to equity shareholders of our Company divided by the revenue from operations. This gives information regarding the overall profitability of our Company in comparison to revenue from operations of our 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 our 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 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)
- 11) Return on Equity (ROE): calculated as Profit After Tax for the year/period attributable to shareholders divided by Average Equity Shareholders Fund.



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Annexure II
(Certificate No.: SKLR/RJ/23-24/018)

Comparison of KPIs of our Company with listed peers

(₹ in millions, except for percentages)

Sr. No.	Listed Peers	Revenue from Operation	EBITDA	EBITDA %	PAT	PAT %	Net Debt	Total Equity	Inventories	Trade Receivables	ROE %	ROCE %
1	Oberoi Realty Limited	41,925.82	23,320.65	55.62	19,045.47	45.43	34,311.71	1,22,101.20	85,430.95	10,983.09	16.83	15.31
2	Sunteck Realty Limited	3,624.47	711.80	19.64	14.09	0.39	5,271.96	27,878.56	57,251.16	1,496.17	0.62	1.75
3	Keystone Realtors Limited	6856.6	1,090.80	15.91	795.00	11.59	6,119.40	16,867.30	25,703.50	616.40	6.11	3.71
4	Shriram Properties Limited	6,744.03	462.13	6.85	682.50	10.12	5,267.81	11,998.37	22,208.05	788.00	5.85	2.17
5	Mahindra Lifespace Developers Limited	6,066.10	758.24	12.50	1,028.30	16.95	1,876.92	18,059.32	20,975.77	1,290.96	5.72	3.03
6	D B Realty Limited	6982.396	(1,147.12)	(16.43)	(900.07)	(12.89)	26,043.43	20,697.46	25,821.95	685.52	(4.47)	(2.27)
7	Hubtown Limited	3,190.90	742.80	23.28	262.80	8.24	7,993.40	13,287.40	20,141.30	2,025.00	2.03	3.30



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Annexure III
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Comparison of KPIs based on additions or dispositions by our Company

Set forth below are details of material additions/ acquisitions made by the Company, as considered by the Company in the meeting of board dated 22 November 2023, during the Financial Years ended 31 March 2023, 31 March 2022, 31 March 2021 along with the comparison of KPIs over time from the period of undertaking such material acquisitions until the last completed financial year.

The details of companies acquired by our Company during the Financial Years ended 31 March 2023, 31 March 2022, 31 March 2021

(₹ in million, except percentages)

Name of company acquired	Date of acquisition/ controlling interest	Financial year in which tranches of consideration was paid	Number of equity shares of the company acquired	% of equity capital acquired	Consideration paid
Iconic Property Developers Private Limited	October 27, 2021	2021-2022	10,000	100%	0.10
Accord Estates Private Limited	October 27, 2021	2021-2022	1,89,000	62.99%	154.04
Uditi Premises Private Limited	October 27, 2021	NA*	NA*	98.52%	NA*
Skyline Realty Private Limited	July 12, 2019	2019-2020	19,000	90%	47.50

**On October 27, 2021 Company acquired "controlling interest" in Accord Estates Private Limited by virtue of this Uditi Premises Private Limited became step-down subsidiary of the Company.*



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Comparison of KPIs over time from the period/year of undertaking such material acquisition until the last completed financial year:

(₹ in million, except percentages)

KPIs as at/ for the completed fiscal year when acquired												
Name of company acquired	Financial Year	Revenue from operations	EBIT DA	EBIT DA Margin	PAT	PAT Margin	Net Debt	Total Equity	Inventories	Trade Receivables	ROCE %	ROE %
	As at	₹ in millions		(%)		(%)						
Iconic Property Developers Private Limited	31.03.2023	0.00	(1.46)	0.00	(3.94)	0.00	889.48	(8.18)	818.89	0.00	0.00	0.00
Accord Estates Private Limited	31.03.2023	344.09	86.34	25.09	(59.62)	0.00	1,306.64	59.59	1,150.77	136.40	6.24	0.00
Uditi Premises Private Limited	31.03.2023	0.00	0.17	0.00	(0.14)	0.00	2.63	(0.79)	39.46	0.00	0.00	0.00

* In case of EBITDA Margin (%), PAT Margin (%), ROCE (%) and ROE (%) being negative then not shown in above table.

The above financial information with respect to Iconic Property Developers Private Limited, Accord Estates Private Limited and Uditi Premises Private Limited has been extracted from the audited financial statements for the relevant year and may not be comparable to the Restated Consolidated Financial Information. The above has been provided for the limited purpose of explaining the changes in the aforementioned KPIs over time due to the acquisitions. For further details, please see the audited financial statements of our Subsidiaries for the said financial year.



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