

SGCO & Co.LLP
Chartered Accountants
Certificate on Key Performance Indicators

Date: 14th October, 2024

To:

The Board of Directors,
Waaree Energies Limited
602, 6th Floor, Western Edge - I
Western Express Highway
Borivali (East), Mumbai MH 400066
Maharashtra, India

Axis Capital Limited
1st floor, Axis House
C-2 Wadia International Centre
P.B. Marg, Worli
Mumbai 400 025
Maharashtra, India

IIFL Securities Limited
24th floor, One Lodha Place
Senapati Bapat Marg
Lower Parel (west)
Mumbai – 400013
Maharashtra, Mumbai

Intensive Fiscal Services Private Limited
914, Raheja Chambers
Free Press Journal Marg
Nariman Point
Mumbai 400 021
Maharashtra, India

ITI Capital Limited
ITI House 36,
Dr. R. K. Shirodkar Marg, Parel,
Mumbai – 400 012

Jefferies India Private Limited
Level 16, Express Towers
Nariman Point
Mumbai 400 021
Maharashtra, India

Nomura Financial Advisory and Securities (India) Private Limited
Ceejay House, 11th Level, Plot F, Shivsagar Estate
Dr. Annie Besant Road, Worli
Mumbai 400 018
Maharashtra, India

and

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SBI Capital Markets Limited

1501, 15th Floor, Parinee Crescenzo
G Block, Bandra Kurla Complex
Bandra (East), Mumbai 400051
Maharashtra, In

(Axis Capital limited, IIFL Securities Limited, Intensive Fiscal Services Private Limited, ITI Capital Limited, Jefferies India Private Limited, Nomura Financial Advisory and Securities (India) Private Limited, SBI Capital Markets Limited and any other book running lead managers who may be appointed are collectively referred to as the “**Book Running Lead Managers**” or “**BRLMs**” in relation to the Offer)

Dear Ma'am/ Sir,

Re: Proposed initial public offering of equity shares of face value of ₹ 10 each (the “Equity Shares”) of Waaree Energies Limited (the “Company”) comprising a fresh issue of the Equity Shares by the Company (the “Fresh Issue”) and an offer for sale of Equity Shares by certain existing shareholders of the Company (the “Offer for Sale”, and together with the Fresh Issue, the “Offer”)

In relation to the Company and its affiliates, we, S G C O & Co. LLP are an independent firm of chartered accountants, appointed by the Company in terms of our engagement letter dated 16th June 2023 in relation to the Offer. We have received a request from the Company to perform certain procedures with respect to certain identified key performance indicators of the Company, on a consolidated basis (“**KPI**”).

We have reviewed the restated consolidated financial statements of the Company for financial years 2024, 2023 and 2022 and three months ended June 30, 2024 and June 30, 2023 (the “**Financial Statements**”), the relevant accounting records, books of accounts, regulatory filings, relevant registers, annual reports, relevant management information system reports maintained and generated by the Company, financial and other information subject to internal financial reporting procedures of the Company, as well as corporate, secretarial and other records 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.

We confirm and certify the (i) details of the KPI, (ii) their respective formula; and (iii) documents reviewed to verify, confirm and certify each KPI, as provided in **Annexure A**.

- A. We have read and verified the items/statements identified by the Company on the attached copy of the selected pages of the RHP included in **Annexure B** and have performed the following procedures, which were applied as indicated by the corresponding letters explained below: Compared the amounts with, or recalculated the percentages based on, amounts included in or derived from the Financial Statements, and found them to be in agreement.

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- B. 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 records of the Company and found them to be in agreement. We proved 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.
- C. 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 management accounts, relevant management information system reports, the enterprise resource planning (ERP) systems or other financial information, corporate, secretarial, regulatory filings or other records of the Company and found them to be in agreement. We proved the mathematical accuracy of such schedule prepared by the officials of the Company. We also compared the amounts/ metrics identified in such schedule with the corresponding amounts/ metrics appearing in the relevant corporate, secretarial and other records of the Company and found them to be in agreement.
- D. Proved the arithmetic accuracy or computation of the percentages or amounts.

On the basis of such examination of the documents / records / information, we confirm that the information set forth in **Annexure B**, duly initialed by us, which is also reproduced in the RHP, is correct and accurate and nothing came to our attention that caused us to believe that the information contained in **Annexure B** was not accurate, valid and complete.

We confirm that we are an independent accounting firm and are in no way connected with the Company. We further confirm that we are not related in any manner to the promoters or directors of the Company, or otherwise interested in the formation of management of the Company.

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 and will enable investors to make a well-informed decision.

We hereby confirm that while providing this certificate we have complied with the Code of Ethics and 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 Institute of Chartered Accountants of India.

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

We hereby consent to our name and the aforementioned details being included in the Offer Documents and/or consent to the submission of this certificate as may be necessary, to any regulatory / statutory authority, stock exchanges, any other authority as may be required and/or for the records to be maintained by the BRLMs in connection with the Offer and in accordance with applicable law.

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This certificate may be relied on by the BRLMs, their affiliates and legal counsel in relation to the Offer and to assist the BRLMs 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 BRLMs, if required (i) by reason of any law, regulation, order or request of a court or by any governmental or competent regulatory authority or stock exchanges, or (ii) in seeking to establish a defense in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation and/or for the records to be maintained by the BRLMs in relation to the Offer.

We undertake to promptly 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 S G C O & Co. LLP
Chartered Accountants

ICAI Firm Registration No: 112081W/W100184

SURESH
PRAHLADRA
I MURARKA

Digitally signed
by SURESH
PRAHLADRAI
MURARKA

Suresh Murarka

Partner

Membership No. 44739

UDIN: 24044739BKARRD6582

Place: Mumbai

Date: 14th October, 2024.

Encl: **Annexure A** and **Annexure B**

CC:

J. Sagar Associates

B-303, 3rd Floor, Ansal Plaza,

Hudco Place

August Kranti Marg

New Delhi – 110 049, India

Hogan Lovells Lee & Lee

50 Collyer Quay

#10-01 OUE Bayfront

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Khaitan & Co

10th & 13th Floors, Tower 1C

One World Centre

841, Senapati Bapat Marg

Mumbai - 400 013, Maharashtra

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Annexure A

S. No.	KPI	Formula	Source/ Documents reviewed
1.	EBITDA Margin	EBITDA calculated as profit for the year before exceptional items and taxes plus finance cost, depreciation and amortization. EBITDA margin has been calculated as EBITDA divided by total income.	Computed the ratio from the use of the formula and restated consolidated financial statements
2.	Debt to Equity ratio	Debt to equity ratio has been calculated as debt divided by total equity (excluding non-controlling interest). Debt is calculated as total debt minus current and non-current lease liabilities.	Computed the ratio from the use of the formula and restated consolidated financial statements
3.	Return on average capital employed	Return on average capital employed has been calculated as profit before exceptional item and tax plus finance costs divided by average of opening and closing capital employed calculated as total equity (excluding non-controlling interest) add total non-current liability.	Computed the ratio from the use of the formula and restated consolidated financial statements
4.	PAT Margin	PAT margin has been calculated as restated profit for the year / period divided by total income	Computed the ratio from the use of the formula and restated consolidated financial statements
5.	Capacity in GW	This refers to the total production capacity of all the manufacturing units taken together in gigawatt.	Chartered Engineer Certificate
6.	Order Book in GW	This refers to the total confirmed total order book, to be delivered in over a period of ascertained timeline in gigawatt.	Sales Register, System generated report and reconciliations, Purchase order.

Sr. no	KPI	Waaree Energies Limited				
		Three months ended June 30, 2024	Three months ended June 30, 2023	Year Ended March 31, 2024	Year Ended March 31, 2023	Year Ended March 31, 2022
1	EBITDA Margin	18.30%	16.23%	15.56%	13.76%	6.88%
2	Debt to Equity ratio	0.06	0.08	0.08	0.15	0.72
3	Return on average capital employed	9.56%	17.75%	36.95%	48.83%	23.49%
4	PAT Margin	11.47%	9.91%	10.96%	7.29%	2.70%
5	Capacity in GW	12.00	12.00	12.00	9.00	4.00
6	Order Book in GW	16.66	17.19	19.93	18.06	3.28

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Annexure B

Extracted pages of RHP

Sr. no.	Metric	Explanation for the KPI
1	EBITDA Margin	EBITDA calculated as profit for the year before exceptional items and taxes plus finance cost, depreciation and amortization. EBITDA margin has been calculated as EBITDA divided by total income.
2	Debt to equity ratio	Debt to equity ratio has been calculated as debt divided by total equity (excluding non-controlling interest). Debt is calculated as total debt minus current and non-current lease liabilities.
3	Return on average capital employed	Return on average capital employed has been calculated as profit before exceptional item and tax plus finance costs divided by average of opening and closing capital employed calculated as total equity (excluding non-controlling interest) add non-current liability.
4	PAT Margin	PAT margin has been calculated as profit for the year/ period divided by total income
5	Capacity in GW	This refers to the total production capacity of all the manufacturing units taken together in gigawatt.
6	Order Book in GW	This refers to the total confirmed total order book, to be delivered in over a period of ascertained timeline in gigawatt.

Sr. no	KPI	Waaree Energies Limited				
		Three months ended June 30, 2024	Three months ended June 30, 2023	Year Ended March 31, 2024	Year Ended March 31, 2023	Year Ended March 31, 2022
1	EBITDA Margin	18.30%	16.23%	15.56%	13.76%	6.88%
2	Debt to Equity ratio	0.06	0.08	0.08	0.15	0.72
3	Return on average capital employed	9.56%	17.75%	36.95%	48.83%	23.49%
4	PAT Margin	11.47%	9.91%	10.96%	7.29%	2.70%
5	Capacity in GW	12.00	12.00	12.00	9.00	4.00
6	Order Book in GW	16.66	17.19	19.93	18.06	3.28

For S G C O & Co. LLP
Chartered Accountants

ICAI Firm Registration No: 112081W/W100184

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Suresh Murarka

Partner

Membership No. 44739

UDIN: 24044739BKARRD6582

Place: Mumbai

Date: - 14th October, 2024.