

Date: October 30, 2023

To,

The Board of Directors
ASK Automotive Limited
Flat Number 104,929/1,
Naiwala, Faiz Road,
New Delhi – 110 005
India

JM Financial Limited
7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400 025
Maharashtra, India

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

ICICI Securities Limited
ICICI Venture House, Appasaheb
Marathe Marg Prabhadevi
Mumbai 400 025
Maharashtra, India

IIFL Securities Limited
10th Floor, IIFL Centre,
Kamla City, Senapati Bapat Marg
Lower Parel (West)
Maharashtra, India

(The aforementioned book running lead managers and any other book running lead managers appointed by the Company are collectively referred to as the “Book Running Lead Managers” or the “BRLMs”)

Re: Certificate on key performance indicators in respect of the basis for offer price

Sub: Proposed initial public offering of equity shares of face value of ₹ 2/- each (the “Equity Shares”) of ASK Automotive Limited (“the Company” and such offer, the “Offer”)

We, **B.B. & Associates**, Chartered Accountants, have been informed that the Company proposes to file the Red Herring Prospectus with respect to the Offer (the “**RHP**”) with the Registrar of Companies, Delhi and Haryana at New Delhi (“**Registrar of Companies**”) and subsequently with Securities and Exchange Board of India (“**SEBI**”), BSE Limited and National Stock Exchange of India Limited (collectively, the “**Stock Exchanges**”) 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 subsequently proposes to file (i) (ii) Prospectus with SEBI, the Stock Exchanges and the Registrar of Companies (the “**Prospectus**”); and (iii) any

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other documents or materials to be issued in relation to the Offer (collectively with the RHP and Prospectus, the “**Offer Documents**”).

We have received a request from the Company to verify the key performance indicators (“**KPI**”) of the Company, on a consolidated basis.

We have examined and reviewed the; (a) restated consolidated financial information of the Company for the three months period ended June 30, 2023, June 30, 2022 and for the financial years ended March 31, 2023, March 31, 2022, and March 31, 2021, 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 consolidated financial information, the “**Restated Consolidated Financial Information**”; (b) accounting records and MIS of the Company; and (c) 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 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 KPIs of the Company for the three months period ended June 30, 2023, June 30, 2022 and for financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 (the “**Periods**”), as set forth in the accompanying annexures.

The procedures were performed to confirm the arithmetical accuracy of the KPIs of the Company and accordingly, the procedures undertaken with respect to the aforesaid are summarized below:

- (i) Held discussions with the management of the Company to; (a) identify the KPIs which have been used by the management historically to analyse, track, or monitor the operational and/or financial performance of the Company; (b) identify the KPIs which have been disclosed to its investors at any point of time during the preceding three years; and (c) understand the relevance of each of the KPIs in the business of the Company;
- (ii) Reviewed the minutes of meetings of board and shareholders for the preceding three years to identify any KPIs shared with the investors;
- (iii) Traced financial data from accounting records;
- (iv) Reviewed MIS prepared by the finance department of the Company;
- (v) Obtained details of acquisitions/ dispositions made by the Company during the three months period ended June 30, 2023, June 30, 2022 and during the Fiscal 2021, 2022 and 2023 and confirmed the non-applicability of the same;
- (vi) Compared the amount in **Annexure A** for each KPI with the corresponding amounts appearing in the restated consolidated financial information, audited standalone and consolidated financial statements, accounting records, other financial and / or operational records and registers, including invoices, management reports, internal financial and operational reports, reports used for periodic MIS reporting, management representations, reports from digital/ computerized systems, and other applicable committees and any other relevant records and documents of the Company/ subsidiaries necessary or required for verification of the relevant information, and found all such amounts to be in agreement;



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- (vii) In relation to the details with respect to KPIs of peer companies, compared the amount in **Annexure A** for each KPI of the peer group company from the respective annual reports, results released to stock exchanges, investor presentation, prospectus of such peer companies as available publicly; and
- (viii) Checked the computation, formula, arithmetic accuracy or computation of the percentages or amounts, and found all such amounts to be in agreement.

On the basis of such examination of the documents / records / information, we confirm that the information set forth in **Annexure A**, duly initialed by us, which is also reproduced in the RHP is correct and accurate and nothing has come to our attention that caused us to believe that the information contained in **Annexure A** was not accurate and valid. Based on the above procedures performed by us, we also confirm that no KPIs have been disclosed by the Company to its investors at any point of time during the preceding three years. Further, we confirm that all the KPIs which are used by the management historically to analyse, track or monitor the operational and/or financial performance of the Company have been included in **Annexure A**.

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 in accordance with the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)” issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

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.

We have conducted our examination in accordance with the ‘Guidance Note on Audit Reports and Certificates for Special Purposes (Revised 2016)’ issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics 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 Offer Documents. Further, we hereby provide our consent for making available this certificate, or extracts thereof, for the purpose of inspection by investors, at the registered and corporate office of the Company or for uploading such certificate on the website of the Company for the purpose of inspection by the investors, in relation to Offer.

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 defence 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 immediately communicate, in writing, any changes to the above information/confirmations, as and when: (i) made available to us; or (ii) we become aware of any such changes, to the BRLMs and the Company until the equity shares allotted in the Offer commence trading on the relevant stock exchanges. In the absence of any such communication from us, the Company, the BRLMs and the legal advisors appointed with respect to Offer can assume that there is no change to the information/confirmations forming part of this certificate and accordingly, such information should be considered to be true and correct.

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

Yours faithfully,

For B.B. & Associates

Chartered Accountants

ICAI Firm Registration Number: 023670N



Balwan Bansal

Partner

Membership No. 511341



Place: Washington DC, USA

UDIN: 23511341BGVRXF3350

Legal Counsel to the Company as to Indian Law

Shardul Amarchand Mangaldas & Co

Amarchand Towers

216, Okhla Industrial Estate Phase III

New Delhi 110 020

Delhi, India

Legal Counsel to the Book Running Lead Managers as to Indian Law

Trilegal

One World Centre,

10th floor, Tower 2A & 2B,

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Mumbai 400 013

Maharashtra, India

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Legal Counsel to the Book Running Lead Managers as to International Law

Linklaters Singapore Pte. Ltd
One George Street #17- 01
Singapore 049145



Annexure A

The KPIs disclosed below have been used historically by the Company to understand and analyze its business performance, which in result, help them in analyzing the growth of business verticals in comparison to its peers. The Company considers that the KPIs set forth below are the ones that may have a bearing for arriving at the basis for the Offer Price. The KPIs disclosed below have been approved and confirmed by a resolution of the Committee dated October 30, 2023. Further, the members of the Audit Committee have verified the details of all KPIs pertaining to the Company and confirmed that there are no KPIs pertaining to the Company that have been disclosed to any investors at any point of time during the three years prior to the date of filing of the RHP.

I. The list of the KPIs along with brief explanation of the relevance of the KPI for the business operations of the Company are set forth below:

S.No.	KPI	Description and Rationale
1	Revenue from Operations	Revenue from operations refers to the total turnover of the Company from sale of their products and services and also represents the scale of the Company's business. It also provides information regarding the overall financial performance
2	Revenue Growth (%)	Revenue Growth (%) represents year-on-year or period-on-period growth of revenue generated by the Company from their business operations.
3	EBITDA	EBITDA provides information regarding the operational efficiency of the Company's business. It also facilitates evaluation of year-on-year or period-on-period operating performance of the Company's business.
4	EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability of the Company's business and assists in tracking the margin profile of the Company's business, its historical operational performance, and provides financial benchmarking against its peers.
5	Profit after tax for the year/period ("PAT")	PAT represents the profit / loss that the Company makes for the financial year or during a given period. It provides information regarding the overall profitability of the Company's business.
6	PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability of the Company's business and provides the financial benchmarking against the peers of the Company. This ratio also provides a comparison with the historical performance of the Company's business.
7	Return on average equity (RoAE) (%)	Return on average equity (RoAE)(%) is an indicator of the Company's efficiency as it measures the Company's profitability. It also represents how efficiently the Company generates profits from their shareholders funds.
8	Return on Average Capital Employed (RoACE) (%)	Return on Average Capital Employed represents how efficiently the Company generates profitability from the capital employed during the year/period.
9	Average Debt to EBITDA ratio	Average Debt to EBITDA ratio enables the Company to measure its ability and extent to which it can cover its debt in comparison to the EBITDA being generated by them. It also highlights how many years it would take for the Company to pay back its debt if debt and EBITDA are held constant.
10	Debt to Equity Ratio (Gearing Ratio)	Debt to Equity Ratio is a measure of the extent to which the Company can cover its debt and represents its debt position in comparison to its equity position. It also helps to evaluate its financial leverage.
11	Operating Cash Flow to EBITDA Ratio	Operating Cash Flow to EBITDA Ratio reflects the cash conversion ratio and assesses the Company's efficiency to convert EBITDA into cash.
12	Asset Turnover Ratio	Asset Turnover Ratio measures the efficiency of the Company's assets in generating revenue or sales.

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13	Working Capital Days	Working capital days indicates the Company's working capital requirements in relation to revenue generated from operations.
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II. Details of KPIs as at/ for the three months ended June 30, 2023, June 30, 2022 and financial years ended March 31, 2023, March 31, 2022, and March 31, 2021:

(₹ in million, unless otherwise stated)

S.No.	KPI	As of or for the three months / financial year ended				
		June 30, 2023	June 30, 2022	March 31, 2023 ⁽³⁾⁽⁴⁾	March 31, 2022 ⁽³⁾⁽⁴⁾	March 31, 2021 ⁽³⁾⁽⁴⁾
1	Revenue from Operations	6,565.08	6,037.35	25,551.67	20,130.83	15,439.92
2	Revenue Growth (%)	8.74% ⁽²⁾	NA ⁽¹⁾	26.93%	30.38%	NA ⁽¹⁾
3	EBITDA	647.44	517.35	2,475.45	1,822.58	2,101.12
4	EBITDA Margin (%)	9.85%	8.53%	9.65%	9.00%	13.40%
5	Profit after tax for the year/period ("PAT")	348.29	225.54	1,229.53	826.59	1,062.01
6	PAT Margin (%)	5.30%	3.72%	4.79%	4.08%	6.77%
7	Return on Average Equity (RoAE) (%)	5.25% ⁽²⁾	3.49% ⁽²⁾	19.27%	13.33%	17.00%
8	Return on Average Capital Employed (RoACE) (%)	5.31% ⁽²⁾	4.63% ⁽²⁾	22.06%	16.76%	21.98%
9	Average Debt to EBITDA ratio	5.44 ⁽²⁾	3.17 ⁽²⁾	0.97	0.66	0.38
10	Debt to Equity ratio (Gearing ratio)	0.57	0.26	0.49	0.25	0.13
11	Operating Cash Flow to EBITDA ratio	31.68%	61.22%	55.98%	79.13%	60.90%
12	Asset Turnover ratio	0.48 ⁽²⁾	0.53 ⁽²⁾	2.14	1.96	1.63
13	Working Capital Days	30.28	22.05	27.74	26.60	28.82

(1) NA – Not available since past comparative period is not disclosed in the RHP.

(2) Not annualised.

(3) The above financial information has been extracted or derived from the Restated Consolidated Financial Information.

(4) The method of computation of the above KPIs is set out below:

Metric	Formula
Revenue from operations	Revenue from Operations means the Revenue from Operations as appearing in the Restated Consolidated Financial Information of the Company.
Revenue Growth (%)	Revenue Growth (%) is calculated as revenue from operations for the current year/period minus revenue from operations for the previous year/period as a % of revenue from operations for the previous year/period.
EBITDA	EBITDA is calculated as profit before share of net profits/losses of joint venture, exceptional items, and tax plus finance costs plus depreciation and amortization expense.
EBITDA Margin (%)	EBITDA Margin (%) is the percentage of EBITDA divided by total income.
Profit after tax for the year ("PAT")	Profit after tax for the year/period as appearing in the Restated Consolidated Financial Information of the Company.

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Metric	Formula
PAT Margin (%)	PAT Margin (%) is calculated as Profit after tax for the year/period as a % of Total Income.
Return on average equity (RoAE) (%)	<p>RoAE is calculated as Total Comprehensive Income for the year/period divided by Average Equity for the year/period.</p> <p>Average Equity is calculated as average of the total equity at the beginning of the year and at the end of the year/period.</p> <p>Total Equity is calculated as equity share capital plus other equity.</p> <p>Note: For calculation of average equity employed for Fiscal 2021, average equity at the beginning of the year ended March 31, 2021 has not been considered since it does not form part of Restated Consolidated Financial Information.</p>
Return on Average Capital Employed (RoACE) (%)	<p>RoACE is calculated as Earnings before interest and taxes (EBIT) divided by Average Capital Employed.</p> <p>EBIT is calculated as EBITDA minus Depreciation.</p> <p>Average Capital Employed is calculated as average of the capital employed at the beginning of the year and at the end of the year/period.</p> <p>Capital Employed is computed as Total Equity (equity share capital plus other equity) plus total non-current liabilities except non-current lease liabilities.</p> <p>Note: For calculation of average capital employed for Fiscal 2021, capital employed at the beginning of the year ended March 31, 2021 has not been considered since it does not form part of Restated Consolidated Financial Information.</p>
Average Debt to EBITDA ratio	<p>Average Debt to EBITDA ratio is calculated as Average debt divided by EBITDA.</p> <p>Average Debt is calculated as average of the debt at the beginning of the year and at the end of the year/period. Debt refers to Total Borrowings (non-current and current).</p> <p>Note: For calculation of average debt for Fiscal 2021, debt at the beginning of the year ended March 31, 2021 has not been considered since it does not form part of Restated Consolidated Financial Information.</p>
Debt to Equity Ratio (Gearing Ratio)	Debt to Equity Ratio (Gearing Ratio) calculated as Closing Debt (current and non-current borrowings)

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<i>Metric</i>	<i>Formula</i>
	<i>divided by Total Equity.</i>
<i>Operating Cash Flow to EBITDA Ratio</i>	<i>Operating Cash Flow to EBITDA Ratio is calculated as net cash flow from operating activities divided by EBITDA.</i>
<i>Asset Turnover Ratio</i>	<p><i>Asset Turnover Ratio is calculated by dividing Revenue from operations for the year/period by the average total assets.</i></p> <p><i>Average total assets is calculated as average of total assets at the beginning of the year and at the end of the year/period.</i></p> <p><i>Note: For calculation of average total assets for Fiscal 2021, total assets at the beginning of the year ended March 31, 2021 has not been considered since it does not form part of Restated Consolidated Financial Information.</i></p>
<i>Working Capital Days</i>	<p><i>Working capital days is computed as Inventory days plus Trade receivable days minus Trade payable days</i></p> <p><i>a. Inventory days is calculated as Inventory divided by revenue from operations multiplied by 365/91 days.</i></p> <p><i>b. Trade receivable days is calculated as Trade receivables divided by revenue from operations multiplied by 365/91 days.</i></p> <p><i>c. Trade payable days is calculated as Trade payable divided by revenue from operations multiplied by 365/91 days.</i></p>

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III. Comparison of KPIs based on additions or dispositions to Company's business

There are no material acquisitions or dispositions made by the Company during the last three fiscals being financial years ended March 31, 2023, March 31, 2022 and March 31, 2021.

IV. Comparison of KPIs of the Company with Company's listed industry peers

(₹ in million, unless otherwise stated)

S.No.	KPI	ASK Automotive Limited	Endurance Technologies Limited	Uno Minda Limited	Suprajit Engineering Limited	Bharat Forge Limited
1	Revenue from Operations	25,551.67	88,040.46	1,12,364.90	27,523.55	1,29,102.59
2	Revenue Growth (%)	26.93%	16.62%	35.17%	49.55%	23.41%
3	EBITDA	2,475.45	10,816.93	12,908.70	3,512.66	19,403.80
4	EBITDA Margin (%)	9.65%	12.22%	11.44%	12.59%	14.83%
5	Profit after tax for the year ("PAT")	1,229.53	4,795.75	7,002.30	1,521.09	5,083.87
6	PAT Margin (%)	4.79%	5.42%	6.20%	5.45%	3.89%
7	Return on average equity (RoAE) (%)	19.27%	13.92%	18.99%	14.54%	6.56%
8	Return on Average Capital Employed (RoACE) (%)	22.06%	14.61%	17.91%	18.74%	12.75%
9	Average Debt to EBITDA ratio	0.97	0.41	0.80	1.36	3.22
10	Debt to Equity Ratio (Gearing Ratio)	0.49	0.11	0.28	0.52	1.02
11	Operating Cash Flow to EBITDA Ratio	55.98%	79.69%	61.84%	68.06%	9.87%
12	Asset Turnover Ratio	2.14	1.39	1.48	1.32	0.76
13	Working Capital Days	27.74	23.09	43.99	86.35	114.85

(1) The financial information to the Company has been extracted or derived from the Restated Consolidated Financial Information.

(2) The financial information pertaining to the industry peer group has been extracted or derived from its audited consolidated financial statements for the year ended March 31, 2023 as available on the website of the stock exchanges and the company.

(3) For details and formulae of the method of computation of the above KPIs, see note 4 under Table II of this Annexure.

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