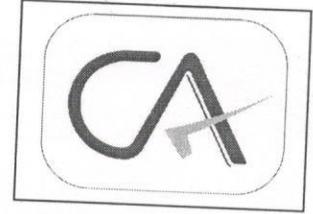


RAMAN S. SHAH & CO
CHARTERED ACCOUNTANTS

CA Raman S. Shah, B.Com ,F.C.A.



CERTIFICATE ON KEY PERFORMANCE INDICATORS

Date: -31st August, 2023

To,

The Board of Directors
Valiant Laboratories Limited
104, Udyog Kshetra, Mulund Goregaon Link Road,
Mulund West, Mumbai, Maharashtra - 400080

And

UNISTONE CAPITAL PRIVATE LIMITED
A/305, DYNASTY BUSINESS PARK,
ANDHERI - KURLA ROAD, ANDHERI (EAST),
MUMBAI - 400 059, INDIA

(Unistone Capital Private Limited referred to as the "Book Running Lead Manager")

Dear Sir(s):

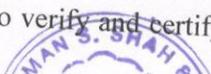
Sub: Proposed initial public offering of equity shares of ₹ 10 each (the "Equity Shares") of Valiant Laboratories Limited (the "Company" and such offering, the "Issue")

We, Raman S Shah & Co, the statutory auditors of the Company, have carried out a statutory audit, in accordance with the requirements of the Companies Act, 2013 (Companies Act), the Companies (Indian Accounting Standards) Rules, 2015 (IND AS) and Standards on Auditing specified under Section 143(10) of the Companies Act, of the financial statements of the Company for the financial year ended March 31, 2023 which is prepared as per IND AS (IND AS Financial Statements).

We have carried out a special purpose audit, in accordance with the requirements of IND AS, the Companies Act, Standards on Auditing specified under Section 143(10) of the Companies Act and the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India (ICAI) (Special Purposes Guidance Note), of the financial statements of the Company for the financial years ended March 31, 2023 which have been approved by the Board of Directors dated at their meeting August 29, 2023 (Special Purpose Audited Financial Statements).

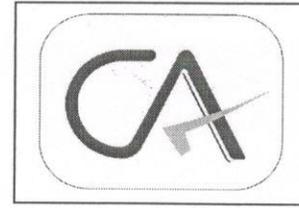
Subsequently, we have restated the (i) IND AS Financial Statements; and (ii) Special Purpose Audited Financial Statements in accordance with the Companies Act, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (SEBI ICDR Regulations) and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI (Restated Financial Statements).

We have been requested by the Company to verify and certify the key performance indicators of the Company as mentioned in Annexure A.



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Based on our examination and as per information and explanation given to us, we confirm that the information in this certificate is true and fair.

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

We hereby consent to the extracts of this certificate being used in the RHP, the Prospectus and for clarifications/ submissions issued to any regulatory authority in relation to the Issue, including (but not limited to) RoC, the Stock Exchanges and SEBI in connection with the Offer, and submission of this certificate as may be necessary, to any regulatory authority statutory, judicial or governmental authorities, and in any other material used in connection with the Offer and for the disclosure on the website of the Company in connection with the Offer and/or for the records to be maintained by the Book Running Lead Managers in connection with the Offer and in accordance with applicable law.

We confirm that we will immediately inform the Company and the Book Running Lead Manager appointed as such for the purpose of the Issue, of any changes to the information stated in this letter till the date the Equity Shares of the Company commence trading on the Stock Exchanges. In the absence of any such communication, the information stated in this letter should be taken as updated information until the date of commencement of listing and trading of the Equity Shares of the Company on the Stock Exchange, pursuant to the Issue.

We represent that our execution, delivery and performance of this consent has been duly authorised by all necessary actions (corporate or otherwise).

We agree to keep the information regarding the Issue strictly confidential.

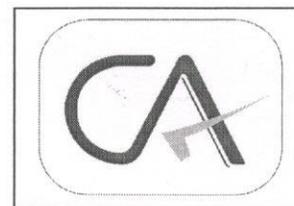
Terms capitalised and not defined herein shall have the same meaning as ascribed to them in the Red Herring Prospectus.

We hereby consent to the extracts of this certificate being used in Red Herring Prospectus (RHP) and the Prospectus (Prospectus, together with the RHP, the Offer Documents) to be filed with the Registrar of Companies, Maharashtra at Mumbai (RoC) and submitted to the Securities and Exchange Board of India (SEBI), the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE and together with the BSE, the Stock Exchanges) in connection with the Offer, and submission of this certificate as may be necessary, to any regulatory authority statutory, judicial or governmental authorities, and in any other material used in connection with the Offer and for the disclosure on the website of the Company in connection with the Offer and/or for the records to be maintained by the Book Running Lead Managers in connection with the Offer and in accordance with applicable law.

We hereby consent to the submission and disclosure of this certificate as may be necessary to the SEBI, the ROC, the Stock Exchanges and any other regulatory or judicial authorities and, or, for any other litigation purposes and, or, for the records to be maintained by the Book Running Lead Managers, in accordance with applicable law.

We undertake to update you, in writing, of any change in the above-mentioned disclosures which we are aware of until the Equity Shares allotted, pursuant to the Offer, are listed and commence trading on the Stock Exchanges. In the absence of any such communication from us, the above information should be considered as updated information until the Equity Shares commence trading on the Stock Exchanges, pursuant to the Offer.

This certificate is for information and inclusion (in part or full) in the Offer Documents to be filed in



Management's Responsibility Statement

The preparation of the accompanying Annexure is the responsibility of the Management of the Company. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Annexure, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances

The management of the Company is responsible for preparation of financial information and preparation of the accompanying annexures based on such financial statements or other financial or non-financial information. This responsibility includes collecting, collating and validating data and presentation thereof and ensure compliance with applicable accounting standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the annexures, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Management is also responsible for ensuring:

- a. Identification, calculation and computation of the key performance indicators (KPI's) as mentioned in the Annexure A.
- b. Ensuring the figures mentioned in Annexure A is correct and computation is accurate.
- c. Disclosing all material information including of all material disclosure and facts, preparation of financial statements on going concern basis.
- d. Compliance with the requirements of the SEBI ICDR Regulations.

Auditor's Responsibility Statement

Pursuant to the requirements, based on our verification of relevant records, information and explanation provided to us, it is our responsibility to express reasonable assurance in the form of this certificate in regard to certain financial, business and operational data pertaining to the Company i.e. KPI's of the Company as mentioned in Annexure A.

We have carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

For the purpose of this certificate, we have relied on the below mentioned information as obtained from the Company:

1. Restated Financial Statements
2. Computation of the KPI's as provided by the Company

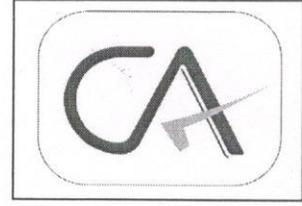
We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements.

Opinion:

Based on our review of documents and procedures as mentioned above and records that we deemed necessary, we hereby certify that the key performance indicators of the Company, details of which are provided in Annexure A, have been calculated based on Restated Financial Statements and the acceptable practices which have been appropriately disclosed in the Annexure A where relevant, derived and extracted from the Restated Financial Statements, are correct and complete in all respects.

RAMAN S. SHAH & CO
CHARTERED ACCOUNTANTS

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relation to the Offer or any other Offer related material, and may be relied on by the Company, the Book Running Lead Managers, their affiliates and the legal counsel in relation to the Offer and to

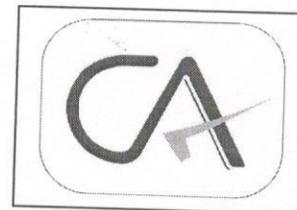
assist the Book Running Lead Managers in the context of due diligence procedures that the Book Running Lead Managers has to conduct and the documents in relation of their investigation of the affairs of the Company in connection with the Offer.

All capitalized terms not defined herein bear the meaning ascribed to them in the Offer Documents.

For Raman S Shah & Co,
Chartered Accountants
FRN No.: 111919W

CA Raman S Shah
Proprietor
Membership No: 033272
Place: Mumbai
Date: -31st August, 2023
UDIN: 23033272BGUQBU9338



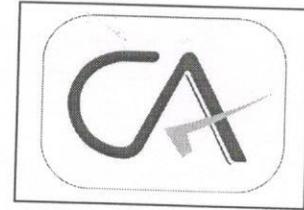


Annexure A

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of various verticals.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations.

KPI	Explanations
Revenue from Operations (₹million)	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
Total Revenue	Total Revenue is used to track the total revenue generated by the business including other income.
Operating EBITDA (₹million)	Operating EBITDA provides information regarding the operational efficiency of the business.
Operating EBITDA Margin (%)	Operating EBITDA Margin is an indicator of the operational profitability and financial performance of our business.
Profit After Tax (₹million)	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin	PAT Margin is an indicator of the overall profitability and financial performance of our business.
RoE (%)	RoE provides how efficiently our Company generates profits from shareholders' funds.
Debt To Equity Ratio	Debt-to-equity (D/E) ratio is used to evaluate a company's financial leverage.
Interest Coverage Ratio	The interest coverage ratio is a debt and profitability ratio used to determine how easily a company can pay interest on its outstanding debt.
Return on Capital Employed	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.
Current Ratio	It tells management how business can maximize the current assets on its balance sheet to satisfy its current debt and other payables.
Net Capital Turnover Ratio	This metric enables us to track the how effectively company is utilizing its working capital to generate revenue.
Return on Net Worth	This metric enables us to track how much profit a company generates with the money that the equity shareholders have invested.
Inventory Turnover Ratio	This metric helps company to optimize the inventory levels, reducing carrying costs and the risk of obsolete stock. It also guides supply chain improvements and efficient sales strategies.
Working Capital as a % of Revenue from Operations	This metric helps companies strike a balance between maintaining liquidity, optimizing operations, and maximizing profitability.
Total Quantity Sold (MT)	It provides insights into sales performance, market share, and product demand. By tracking this metric, businesses can make informed decisions regarding marketing strategies, production planning, and supply chain management.
Average Revenue Per Quantity Sold (MT)	This metric is used to evaluate the performance and profitability of a business. It provides insights into the revenue generated for each unit of a product sold, specifically measured in metric tons (MT).



I. As per the restated financial statements

1. KPI's - Financial KPI of our Company

Sr No.	Metric	As of and for the Fiscal		
		2023	2022	2021
1	Revenue From operations (₹ in Millions)	3,339.10	2,915.23	1,823.69
2	Total Income (₹ in Millions)	3,387.72	2,934.72	1,837.81
3	Operating EBITDA (₹ in Millions)	350.91	423.18	500.02
4	Operating EBITDA Margin (%)	10.51	14.52	27.42
5	Profit/(loss) after tax for the year/ period (₹ in Millions)	289.98	274.96	305.93
6	Net profit Ratio/ Margin (%)	8.56	9.37	16.65
7	Return on Equity (ROE) (%)	33.73	34.36	48.10
8	Debt To Equity Ratio	0.59	0.85	0.00
9	Interest Coverage Ratio	151.32	573.93	27.36
10	ROCE (%)	22.76	35.75	70.86
11	Current Ratio	3.60	3.17	5.41
12	Net Capital Turnover Ratio	2.54	2.72	2.61

Notes:

- Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- Operating EBITDA refers to earnings before interest, taxes, depreciation, amortization, gain or loss from discontinued operations and exceptional items. Operating EBITDA excludes other income.
- Operating EBITDA Margin refers to EBITDA during a given period as a percentage of revenue from operations during that period.
- Net Profit Ratio/Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes by our total revenue.
- Return on equity (RoE) is equal to profit for the year divided by the average total equity and is expressed as a percentage.
- Debt to equity ratio is calculated by dividing the debt (i.e., borrowings (current and non-current) and current maturities of long-term borrowings) by total equity (which includes issued capital and all other equity reserves).
- Interest Coverage Ratio measures our ability to make interest payments from available earnings and is calculated by dividing EBIT by finance cost.
- RoCE (Return on Capital Employed) (%) is calculated as EBIT divided by average capital employed. Capital employed is calculated as total assets less current liabilities during the period.
- 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.
- Net Capital Turnover Ratio quantifies our effectiveness in utilizing our working capital and is calculated by dividing our revenue from operations by our working capital (i.e., current assets less current liabilities).





Operational KPIs for the Company

Sr No.	Metric	As of and for the Fiscal		
		2023	2022	2021
1	Inventory Turnover Ratio	19.21	21.43	24.29
2	Working Capital as a % of Revenue from Operation	39.37	36.83	38.39
3	Total Quantity Sold (MT)	5932.84	4212.49	4249.02
4	Average Revenue Per Quantity Sold (in ₹ per MT)	5,62,816.83	6,92,044.01	4,29,202.72

Note:

1. Inventory Turnover Ratio is calculated by dividing the cost of goods sold from average inventory.
2. Working Capital as a percentage of Revenue from Operations is calculated by dividing the working capital (current assets minus current liabilities) by revenue from operations.
3. Total Quantity Sold (MT) refers to the overall quantity of a product that has been sold, measured in metric tons (MT)
4. Average revenue per Quantity Sold is calculated by dividing the total revenue generated from the sale of a specific quantity of a product by the quantity sold in metric tons.

