

To,
The Board of Director,
United Heat Transfer Limited,
(Formerly known as United Heat Transfer Limited)
Plot No. F-131, MIDC, Ambad,
Nashik, Maharashtra – 422010,

Dear Sir/mam,

Subject: Certificate for Key Performance Indicators (KPI)

On the basis of the restated Financial Statements of the Company for the period ended as on July 31st, 2024 and the financial year ended as on March 31, 2024, March 31, 2023, and March 31, 2022, we hereby certify the KPIs, to be included in the Red Herring Prospectus/ Prospectus as given below for the Proposed Initial Public Offer (IPO) of the Company (“United Heat Transfer Limited”):

1. Key Performance Indicators of United Heat Transfer Limited (the Company);

(₹ In Lakhs except percentages and ratios)

Particulars	For the period ended July 31 st , 2024	For the year ended March 31 st ,		
		2024	2023	2022
Revenue from operations ⁽¹⁾	2,119.40	6,019.31	6,995.09	4,764.65
Growth in Revenue from Operations ⁽²⁾	-	-13.95%	46.81%	44.65%
EBITDA ⁽³⁾	527.51	999.07	777.37	615.21
EBITDA (%) Margin ⁽⁴⁾	24.89%	16.60%	11.11%	12.91%
PAT ⁽⁵⁾	242.53	623.85	211.54	152.67
PAT (%) Margin ⁽⁶⁾	11.44%	10.36%	3.02%	3.20%
<i>(1) Revenue from operation means revenue from sales;</i>				
<i>(2) Growth in Revenue from Operations (%) is calculated as Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period;</i>				
<i>(3) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income</i>				
<i>(4) EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations;</i>				
<i>(5) PAT is calculated as Profit before tax – Taxes;</i>				
<i>(6) PAT Margin is calculated as PAT for the period/year divided by revenue from operations.</i>				

Explanation for KPI metrics

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by the management to track the revenue profile of the business and in turn helps to assess the overall financial performance of the Company and volume of the business of the Company.
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of the business of the Company
PAT	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 the business of the Company

Set forth below are the details of comparison of key performance of indicators with the listed industry peer (₹ In Lakhs except percentages and ratios)

Particulars	United Heat Transfer Limited			Patels Airtemp (India) Limited			The Anup Engineering Limited		
	Mar-24	Mar-23	Mar-22	Mar-24	Mar-23	Mar-22	Mar-24	Mar-23	Mar-22
Revenue from operation ⁽¹⁾	6019.31	6995.09	4764.65	37076.17	28147.85	30321.97	55038.45	41133.81	28824.16



Other Income	390.25	45.06	31.46	198.94	132.56	112.47	906.37	124.21	454.02
Total Revenue	6409.56	7040.15	4796.11	37275.11	28280.41	30434.44	55944.82	41258.02	29278.18
Growth in Total Revenue ⁽²⁾	-8.96%	46.79%	44.65%	31.81%	-7.08%	18.72%	35.60%	40.92%	3.51%
EBITDA ⁽³⁾	999.07	777.37	615.21	3507.83	3018.91	2834.02	12675.06	8261.49	7000.37
EBITDA Margin ⁽⁴⁾	16.60%	11.11%	12.91%	9.46%	10.73%	9.35%	23.03%	20.08%	24.29%
PAT ⁽⁵⁾	623.85	211.54	152.67	1,474.38	1,112.50	1,240.33	10240.16	5471.65	6280.92
PAT Margin ⁽⁶⁾	10.36%	3.02%	3.20%	3.98%	3.95%	4.09%	18.61%	13.30%	21.79%
Net Worth ⁽⁷⁾	2037.71	1413.86	1202.32	14272.47	12962.20	11063.66	52844.64	44192.03	39445.01

Notes:

- (1) Revenue from operation means revenue from sales, service and other operating revenues;
(2) Growth in revenue is difference between revenue of current year and previous year;
(3) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income;
(4) EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations;
(5) PAT is calculated as Profit before tax – Tax Expenses;
(6) PAT Margin is calculated as PAT for the period/year divided by revenue from operations;
(7) Networth is Equity Capital plus Reserves and Surplus.

2. WEIGHTED AVERAGE COST OF ACQUISITION

- a) **The price per share of United Heat Transfer Limited (the Company) based on the primary/ new issue of shares (equity/ convertible securities) during the 18 months preceding the date of the Certificate.**

There has been no issuance of Equity Shares other than Equity Shares issued pursuant to a bonus issue on March 05th, 2024 and Private placement of equity shares on June 07th, 2024, during the 18 months preceding the date of the Certificate, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

Primary Transaction:

Except as disclosed below, there have been no primary transactions in the last three years preceding the date of this Certificate:

Date of Allotment	No. of equity shares allotted	Issue price per equity share (₹)	Nature of allotment	Nature of consideration	Total Consideration (in ₹ lakhs)
March 05 th , 2024	85,00,000	-	Bonus Issue	Other than Cash	Nil
June 07 th , 2024	11,70,000	50	Private Placement	Cash	585.00
Total	96,70,000	-	-	-	585.00
Weighted average cost of acquisition (WACA) per share					6.05

Note:

- The Company issued and allotted 85,00,000 bonus shares on March 05, 2024 in the ratio of 2:1, i.e 2 Equity Shares for every 1 Equity Share held.
- The Company has issued 11,70,000 equity shares on a private placement basis on June 07, 2024 at an issue price of Rs 50 per share aggregating Rs 585 Lakhs.

- b) **The price per share of United Heat Transfer Limited (the Company) Company based on the secondary sale/ acquisition of shares (equity shares/ convertible securities)**



There have been no secondary sale/ acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts of shares), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

- e) Except as disclosed below, there were no such other primary issuances / secondary transactions except as provided in 2 (a) and (b) based on last 5 primary or secondary transactions (secondary transactions where Promoter / Promoter Group entities or shareholder(s) having the right to nominate director(s) in the Board of the Company, are a party to the transaction, in the last three years preceding the date of this Certificate irrespective of the size of transactions.

Secondary Transactions:

Except as disclosed below, there have been no secondary transactions by the Promoters, members of the Promoter Group or shareholder(s) having the right to nominate director(s) in the Board of Directors of the Company are a party to the transaction, in the last three years preceding the date of this Certificate:

Date of Transfer	Name of Transferor	Name of transferee	No. of Equity Shares	Price Per Equity Share	Nature of transaction	Total Consideration (in ₹ lakhs)
January 09 th , 2024	Yogesh Vishwanath Patil	Praketa Yogesh Patil	50	50	Transfer of Shares	0.025
January 09 th , 2024	Vivek Vishwanath Patil	Shatanik Vivek Patil	50	50	Transfer of Shares	0.025
January 09 th , 2024	Vivek Vishwanath Patil	Urjaswati Vivek Patil	50	50	Transfer of Shares	0.025
Total			150	-	-	0.075
Weighted average cost of acquisition (WACA) per share						50.00

- d) The Weighted average cost of acquisition (WACA):

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity / convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of this Certificate, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options), in a single transaction or multiple transactions combined together over a span of rolling 30 days.	6.05
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity /convertible securities), where promoter / promoter group entities or Selling Shareholder or shareholder(s) having the right to nominate director(s) in the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.	NA^



Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)
Since there were no secondary transactions of equity shares of the Company during the 18 months preceding the date of this Certificate, which are equal to or more than 5% of the fully diluted paid-up share capital of the Company, the price per share of the Company based on the last five secondary transactions where promoter /promoter group entities or Selling Shareholder or shareholder(s) having the right to nominate director(s) on the Board of the Company, are a party to the transaction, not older than three years prior to the date of filing of this Prospectus irrespective of the size of the transaction.	50.00

[^]There were no secondary transactions as mentioned in paragraph 2(b) above, in last 18 months from the date of this Certificate.

The preparation of the above Statements is the responsibility of the Management of the Company. This responsibility includes designing, implementing, and maintaining adequate internal controls that were operating effectively and testing of such controls for ensuring the accuracy and completeness of information relating to KPIs including such accounting records 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 Management is responsible for:

- a. identification, definition, completeness, accuracy, relevance, appropriateness and sufficiency of the KPIs included in the Statement;
- b. providing access to the accounting and other records to the reporting [auditor/ practitioner] including information and explanations required for reporting on the KPIs;
- c. maintenance of the accounting and other records in relation to point (a) and (b) above; and
- d. compliance with the ICDR Regulations, the Technical Guide on Disclosure and Reporting of Key Performance Indicators (KPIs) in Offer Documents and other regulatory requirements.

We have no responsibility to update this certificate for events and circumstances occurring after the respective dates of the reports on the financial statements.

We have no responsibility for identification, definition, completeness, relevance, appropriateness and sufficiency of the KPIs included in the Statement.

The procedures we have performed do not constitute an audit or review made in accordance with generally accepted auditing standards. Furthermore, they will not necessarily reveal matters of significance with respect to any material misstatement of the information related to KPIs of the Company.

Our work and conclusion shall not in any way constitute advice or recommendations (and we accept no liability in relation to any advice or recommendations) regarding any commercial decisions associated with the Issue, including, in particular, but without limitation, any which may be taken by the Company, the Bankers/ Book Running Lead Managers or the Syndicate Members in the capacity of investor or in providing investment advice to their clients or the Company.

We, however, state that this is not an assurance as to the future viability of the Company or whether the KPIs have been considered / have a bearing for arriving at the basis for issue price. We further state that our reporting is based on the facts up to the date of the report and we neither give any guarantee nor any assurance that the KPIs reported will continue to perform and/or report in similar manner in future. It should be noted that the KPIs contained in the Statement may not be measures of operating performance or liquidity defined by generally accepted accounting principles. We make no comment about the Company's definition, methodology or presentation of the KPIs in the Statement or its usefulness for any purposes.

The KPIs included in the Statement should not be considered in isolation from, or as a substitute for, analysis of Company's historical financial performance, as reported and presented in the restated financial information of the Company included in the Red Herring Prospectus/ Prospectus. These KPIs (other than GAAP measures) are not defined in Indian Accounting Standards (Ind AS)/Accounting Standards (AS) notified under section 133



of the Act, are not presented in accordance with Ind AS/AS and have limitations. These KPIs may differ from similarly titled information used by certain peer companies, who may calculate such information differently and hence their comparability with the measures used by the Company may be limited. Therefore, such KPIs should

not be viewed as substitutes for measures of performance under Ind AS/AS or as indicators of Company's financial position, financial performance or its cash flows.

This certificate is addressed to, and provided to, the Board of Directors of the Company for the limited purpose to comply with the requirements of ICDR Regulations and should not be used by any other person or for any other purpose.


This certificate should not be relied upon by existing or prospective investors for their investment purposes and by the bankers/ book running lead managers involved in the Offer for their due diligence purposes. 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.

The certificate is issued solely for the limited purpose to comply with Indian [ICDR Regulations] on KPIs. Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside India (including in the United States of America), and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices. This report should not be relied upon by prospective investors outside India (including persons who are Qualified Institutional Buyers as defined under (i) Rule 144A or (ii) Regulation S under the United States Securities Act of 1933, as amended) participating in the Offering. We accept no responsibility and deny any liability to any person who seeks to rely on this report and who may seek to make a claim in connection with any offering of securities on the basis that they had acted in reliance on such information under the protections afforded by United States of America law and regulation or any other laws other than laws of India.

We hereby give our consent to include this certificate in the Red Herring Prospectus/ Prospectus for the proposed public offer of equity shares of the Company.

Thanking you,
Yours faithfully,

**For Kayde & Associates,
Chartered Accountants
Firm Registration No: 121092W**


**CA Sandip Jadhav
(Proprietor)
Membership No: 146137
Place: Nashik
Date: 09.10.2024
UDIN: 24146137BKENE5974**

