



CERTIFICATE ON FINANCIAL INDEBTEDNESS AS AT THE AGREED CUT-OFF DATE

To,

The Board of Directors

Denta Water and Infra Solutions Limited

#40, 3rd Floor, Sri Lakshminarayana Mansion,
South End Road, Basavanagudi,
Bangalore, South Bangalore,
Karnataka 560 004, India

SMC Capitals Limited

A-401/402,
Lotus Corporate Park
Off Western Express Highway,
Jai Coach Junction,
Goregaon (East),
Mumbai - 400063
Maharashtra, India

Dear Sirs,

Re: Proposed initial public offering of equity shares of face value of ₹ 10 each (the “Equity Shares”) by Denta Water and Infra Solutions Limited (the “Company”, and such issuance, the “Issue”).

We, Maheshwari & Co., are the statutory auditor of the Company. We have verified the restated consolidated financial information of the Company as at and for the financial period/years ended September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, loan agreements and sanction letters approved by the banks/ financial institutions, confirmations on outstanding loan amount from group companies, bank statements and bank balance confirmations on outstanding loan amount, returns of charges filed by the Company with the Registrar of Companies, Karnataka at Bangalore (“RoC”), the minutes of the audit committee meetings, board meetings and shareholders’ meetings of the Company and other relevant records. On the basis of such verification and according to information and explanation given to us, we confirm the following:

1. The Company has not defaulted, at any point of time, from October 01, 2024, till the date of this certificate; and
2. The Company has not delayed in repayment of interest due for the loans outstanding as on November 30, 2024.

Accordingly, we hereby certify that the consolidated financial indebtedness information provided in **Annexure A** 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. Further, we confirm that as on date, except as stated in **Annexure A**, there are no other loans or facilities availed by the Company or its associate or any guarantee extended by the Company or its associate.

We also confirm that, as on the date of this letter, none of the banks or institutions from whom the Company or its associate have availed of debt facilities, have accelerated payment of the facility in full or in part on account of default in the repayment in any instalment or interest due or for violation of any other terms of any of the outstanding loans/ debt facilities granted to the Company or its associate.

The principal terms of the loans and assets charged as security by the Company are stated in **Annexure B**.

The Company has not provided any guarantees for the repayment of any loans availed by other entities.

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 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*,’ issued by the ICAI. We have conducted our examination in accordance with the ‘*Guidance Note on Reports or Certificates for Special Purposes*’ issued



M/s Maheshwari & Co. Chartered Accountants

by the Institute of Chartered Accountants of India (“ICAI”) which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI and in accordance with ‘Guidance Note on Reports in Company Prospectuses’ (Revised 2019). We hereby confirm that while providing this certificate we have complied with the above guidance notes.

This certificate is issued for the purpose of the Issue, and can be used, in full or part, for inclusion in the red herring prospectus (“RHP”), prospectus (“Prospectus”) and any other material used in connection with the Issue. We hereby consent to the aforementioned details being included in the RHP and Prospectus and consent to the submission of this certificate as may be necessary, to the Securities and Exchange Board of India, any regulatory / statutory authority, stock exchanges where the Equity Shares are proposed to be listed, Registrar of Companies, Karnataka at Bangalore or any other authority as may be required and/or for the records to be maintained by the BRLM in connection with the Issue and in accordance with applicable law, and for the purpose of any defense the BRLM may wish to advance in any claim or proceeding in connection with the contents of the RHP and Prospectus, as the case may be.

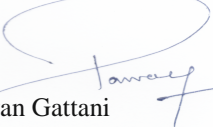
This certificate can be relied on by the Company, the BRLM and the Legal Counsel to the Issue and to assist the BRLM in conducting and documenting their investigation of the affairs of the Company in connection with the Issue. We hereby consent to this certificate being disclosed by the BRLM, if required (i) by reason of any law, regulation, order or request of a court or by any governmental or competent regulatory authority, 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.

We undertake to immediately update you, in writing, of any changes in the abovementioned information until the date the Equity Shares issued pursuant to the Issue commences trading on the Stock Exchanges. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate until the date on which the Equity Shares commence trading on the Stock Exchanges.

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

Yours faithfully,

For and on behalf of
Maheshwari & Co.
Chartered Accountants
Firm Registration Number: 105834W


Pawan Gattani
Partner



ICAI Membership Number: 144734
Date: January 16, 2025
Place: Mumbai
UDIN: 25144734BMJFOP7733

Encl: As above

CC:

Dentons Link Legal (“Legal Counsel”)

Aiwan-e-Ghalib Complex,
Mata Sundri Lane,
New Delhi 110 002, India



ANNEXURE A

Category of Borrowing	Sanctioned amount	Amount Outstanding as of November 30, 2024
Secured Loans		
<i>Fund based facilities</i>		
Vehicle Loan (HDFC Bank)	12.71	6.56
Working Capital/Overdraft (Kotak Bank)	100.00	(0.38)
Working Capital/Overdraft (SBI Bank)	5.00	Nil
<i>Non-fund based facilities</i>		
Bank Guarantee (SBI Bank)	200.00	183.05
Letter of Credit / Bank Guarantee (Kotak Bank)	400.00	357.93
Bank Guarantee (Bank of Baroda)	100.00	Nil
Total Secured Loans (A)	817.71	547.16
Unsecured Loans		
NIL	Nil	Nil
Total Unsecured Loans (B)	Nil	Nil
Grand Total (A + B)	817.71	547.16



ANNEXURE B

Principal terms of the borrowings availed by our Company:

The details provided below are indicative, and there may be additional terms, conditions and requirements under various documentation executed by our Company in relation to our indebtedness.

Vehicle Loan

- **Tenor:** The tenor of the facilities availed by our Company is maximum up to 48 months.
- **Interest/Commission:** The interest rates for the facilities availed by our Company vary and are typically up to 8.11% p.a.
- **Security:** In terms of the facilities availed by our Company, we are required to create hypothecation over the vehicles acquired.
- **Penal Interest:** The terms of certain facilities availed by our Company prescribe penalties for non-payment of interest or repayment instalment, failure to create security within agreed timelines or any other breach of terms and conditions, which are as laid down in such facility documents or as may be stipulated by the concerned lender, as the case may be. The default interest payable on such facilities availed typically 2% per month over and above the applicable interest rate on unpaid EMI.

Overdraft

- **Tenor:** The tenor of the facilities availed by our Company is repayable on demand.
- **Interest/Commission:** The interest rates for the facilities availed by our Company is 3M Repo + 2.75%.
- **Security:** In terms of the facilities availed by our Company, we are required to create hypothecation over stocks and book debts.

Penal Interest: The terms of certain facilities availed by our Company prescribe penalties for non-payment of interest or repayment instalment, failure to create security within agreed timelines or any other breach of terms and conditions, which are as laid down in such facility documents or as may be stipulated by the concerned lender, as the case may be. The default interest payable on such facilities availed typically 2% per month over and above the applicable interest rate on unpaid amount.

Working Capital

- **Tenor:** The tenor of the facilities availed by our Company is maximum 90 days.
- **Interest/Commission:** The interest rates for the facilities availed by our Company is 3M Repo + 2.75%.
- **Security:** In terms of the facilities availed by our Company, we are required to create hypothecation over stocks and book debts.

Penal Interest: The terms of certain facilities availed by our Company prescribe penalties for non-payment of interest or repayment instalment, failure to create security within agreed timelines or any other breach of terms and conditions, which are as laid down in such facility documents or as may be stipulated by the concerned lender, as the case may be. The default interest payable on such facilities availed typically 2% per month over and above the applicable interest rate on unpaid amount.



Letter of Credit

- **Tenor:** The tenor of the facilities availed by our Company is maximum 120 days.
- **Interest/Commission:** The commission rates for the facilities availed by our Company 1.50% p.a.
- **Security:** In terms of the facilities availed by our Company, we are required to mortgage the below mentioned properties:
 - First Pari Passu charge along with SBI on commercial property in Municipal No.40, P.I.D No. 59-23-40, situated at South End Road, Basavanagudi. (Owned by Denta Water and Infra Solutions Limited)
 - Exclusive charge on S. No. 121/16, north S.No.122/5B, by east S.No.121/5A4,14,15, by south S. No 121/5A2, by west S. No.315 Beejadi Village of Kundapura Taluk, Udupi District, within the limits of Beejadi Grama Pachayath and within Sub Registration District of Kundapura. (Owned by Denta Water and Infra Solutions Limited)
 - Exclusive charge on Sy No. 2/4 for 3 Acres and Sy No. 3/3 for 6 Acres for Commercial Resort/Health Resort Purpose at Kedakal Village and Modur Village, Santicoppa Hobli, Kushalnagar Taluk (formerly Somwarpet Taluk), Kodagu District. (Owned by Denta Water and Infra Solutions Limited)

Personal guarantee of Mruthunjaya Swamy, Sowbhagyamma, Sujith T R, Hema H M and Anusha M.

Penal Interest: The terms of certain facilities availed by our Company prescribe penalties for non-payment of interest or repayment instalment, failure to create security within agreed timelines or any other breach of terms and conditions, which are as laid down in such facility documents or as may be stipulated by the concerned lender, as the case may be. The default interest payable on such facilities availed typically 2% per month over and above the applicable interest rate on unpaid amount.

Bank Guarantee

- **Tenor:** The tenor of the facilities availed by our Company is maximum 3 years plus statutory claim period.
- **Interest/Commission:** The commission rates for the facilities availed by our Company 1.50% p.a.
- **Security:** In terms of the facilities availed by our Company, we are required to mortgage the below mentioned properties:
 - First Pari Passu charge along with SBI on commercial property in Municipal No.40, P.I.D No. 59-23-40, situated at South End Road, Basavanagudi. (Owned by Denta Water and Infra Solutions Limited)
 - Exclusive charge on S.No. 121/16, north S.No.122/5B, by east S.No.121/5A4,14,15, by south S. No 121/5A2, by west S.No.315 Beejadi Village of Kundapura Taluk, Udupi District, within the limits of Beejadi Grama Pachayath and within Sub Registration District of Kundapura. (Owned by Denta Water and Infra Solutions Limited)
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Penal Interest: The terms of certain facilities availed by our Company prescribe penalties for non-payment of interest or repayment instalment, failure to create security within agreed timelines or any other breach of terms and conditions, which are as laid down in such facility documents or as may be stipulated by the concerned lender, as the case may be. The default interest payable on such facilities availed typically 2% per month over and above the applicable interest rate on unpaid amount.