Objects of the Offer

Dated: September 23, 2026

To,

The Board of Directors
S.G. Encon Limited
Cabin no. 1, Sco 93, Second Floor, Swastik Vihar,
Sector-5, Mansa Devi Complex, Panchkula,
Haryana, India, 134109
(the "**Company**")

and

Marwadi Chandarana Intermediaries Brokers Private Limited
X-Change Plaza, Office No. 1201 to 1205,
12th Floor, Building No. 53E, Zone-5, Road 5E,
GIFT CITY, Gandhinagar, Gujarat, India, 382050

(Marwadi Chandarana Intermediaries Brokers Private Limited is referred to as the "Book Running Lead Manager" or the "BRLM")

Re: Certificate on Objects of the Offer

Sub: Proposed initial public offering of equity shares of face value of ₹ 10 each (the "Equity Shares") of S.G. Encon Limited ("the Company") through a fresh issue of Equity Shares and Offer for sale of Equity Shares by certain existing shareholders of the Company (the "Offer")

Dear Sir/Madam,

We, "**Dhillon & Associates**", Chartered Accountants, **FRN: 002783N**, the Statutory Auditors of the Company, have examined the books of accounts of the Company, the bank statements of the Company, other relevant documents, board resolutions, other records available with the management of the Company and enquired with the officials of the Company and we hereby certify that the object(s) of the proposed Offer as follows:

Objects	Amount to be funded from Net Proceeds	Estimated deployment of the Net Proceeds in Fiscal 2027	Estimated deployment of the Net Proceeds in Fiscal 2028
Funding of working capital requirement of our Company	426.69	73.70	352.99
Funding capital expenditure requirements of our Company for purchase of machinery or equipment	322.78	322.78	-
General Corporate Purposes[1][2]	[•]	[•]	[•]
Total Net Proceeds	[•]	[•]	[•]

[1] To be determined after finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC.
[2] The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Fresh Issue.

The above-stated fund requirements, deployment of the funds and the intended use of the Net Proceeds as described in this Red Herring Prospectus are based on: (a) our current business plan and internal management estimates based on current market conditions, other commercial and technical factors; (b)certificates provided by the Statutory Auditors; and (c)valid quotations obtained from various third-party vendors. However, such fund requirements and deployment of funds have not been appraised by any bank, financial institution or any other independent agency. See "Risk Factors -Our funding requirements and proposed deployment of the Net Proceeds are not

appraised by any independent agency and are based on management estimates and may be subject to change based on various factors, some of which are beyond our control."

Our Company's historical capital and operational expenditure may not be reflective of our future capital expenditure plans. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, our business and growth strategies, competitive landscape, general factors affecting our results of operations, financial condition and access to capital and other external factors such as changes in the business environment or regulatory climate and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the deployment of funds from at the discretion of our management, subject to compliance with applicable law. Our historical expenditure may not be reflective of our future expenditure plans. For details on risks involved, see "Risk Factors –Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval" .

In case the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used for funding other existing Objects, if necessary and/or towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes does not exceed 25.00% of the Gross Proceeds in accordance with the SEBI ICDR Regulations

Further, our Company may decide to accelerate the estimated Objects ahead of the schedule specified above. However, in the event that estimated utilisation out of the Net Proceeds in a particular Financial Year as scheduled being not undertaken in its entirety, the remaining Net Proceeds shall be utilised in the immediately subsequent Financial Year, as may be decided by our Company, in accordance with applicable laws. Any such change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular object vis-à-vis the utilisation of Net Proceeds.

Means of Finance

The entire requirements of the Objects detailed above are intended to be funded from the Net Proceeds. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations, through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue.

Details of the Objects of the Fresh Issue

1. Funding working capital requirements

We fund a majority of our working capital requirements in the ordinary course of business from various borrowings and internal accruals. In order to support the incremental business requirements, our Company requires additional working capital for funding its incremental working capital requirements in Fiscals 2027 and 2028. The funding of the incremental working capital requirements of our Company will lead to a consequent increase in our profitability and achieving the proposed targets as per our business plan.

Requirement of working capital

Our Company is engaged in providing integrated end-to-end telecommunication infrastructure services and also undertakes construction services and underground utility infrastructure projects for sectors including oil & gas, water, and sewerage. We primarily derive our revenue from the telecommunication segment, particularly through our operation and maintenance ("**O&M**") services and execute projects pursuant to work orders awarded by our customers by deploying our technical expertise, skilled workforce and project management resources in accordance with the scope specified under such work orders across the network lifecycle.

Our telecommunication services include network rollouts, operation and maintenance ("**O&M**"), optical fibre cable ("**OFC**") deployment and maintenance, FTTx network deployment and maintenance, telecom tower and cell site deployment and maintenance, radio frequency ("**RF**") optimization, commissioning and integration services. Our construction services comprise civil construction, interior fit-out, data and IT infrastructure works, firefighting system installation works, electrical works and project management and consultancy services, including engineering and design services for fuel retail outlets, preparation of conceptual, statutory and detailed engineering drawings, and design modifications We also undertake underground utility infrastructure projects involving the installation of oil & gas pipelines, water pipelines, and sewer pipelines, using horizontal directional drilling ("**HDD**") technique.

A break-up of our Company's Order Book as on March 31, 2026 on account of our business verticals are as follows:



Business verticals	Total contract value (₹ in millions)	Order Book value (₹ in millions)	As a % of Order Book
Telecommunication Services	2874.40	2772.83	99.46
Construction Services	1.98	15.02	0.54
Oil & Gas and Sewerage	31.61	0.07	Negligible
Total	**2907.99**	**2787.92**	**100.00**

The increase in working capital requirement is primarily attributable to the expansion in the scale of our operations, increase in the number and size of projects undertaken by us and the corresponding requirement to deploy financial resources towards mobilisation and execution of projects before receipt of corresponding payments from customers.

Our business model requires us to incur expenditure towards mobilisation of project resources, deployment of technical and skilled manpower, engagement of contract labour, project-related expenses and, depending upon the nature of the project and contractual terms, procurement of materials and deployment of specialised machinery and equipment. Our telecommunication projects are undertaken pursuant to work orders awarded by customers and generally involve deployment of our technical personnel, skilled workforce and project management resources. In several such projects, telecom equipment and other materials required for execution are supplied by the customers.

Our working capital requirements are also influenced by the nature and execution cycle of our other business verticals. Under our Construction Services vertical, we undertake civil construction, interior fit-out, electrical, firefighting and related project management and consultancy assignments, which require deployment of technical personnel, skilled workforce, contract labour and project management resources in accordance with project specifications and timelines.

Similarly, under our Oil & Gas and Sewerage vertical, we undertake underground utility infrastructure projects using specialised horizontal directional drilling ("HDD") machinery and skilled workforce. Such projects involve deployment of specialised machinery and resources for execution and, in certain cases, are undertaken on a subcontract basis for EPC contractors and other infrastructure companies executing large-scale infrastructure projects.

Accordingly, the increase in our working capital requirement is also a function of the timing difference between expenditure incurred for project execution and receipt of payments from customers. As our projects are executed in accordance with contractual milestones and project timelines, we may be required to deploy resources and incur project-related expenditure before receiving corresponding payments from customers. The requirement for working capital therefore increases with the scale, number and execution period of projects undertaken by us.

Further, our telecommunication O&M contracts generally have a tenure ranging from three to five years. The Company is required to continuously deploy manpower and other operational resources over the contract tenure for preventive and corrective maintenance, fault rectification, network uptime management, field operations and asset maintenance. This results in an ongoing requirement for funds to support the execution of such contracts.

The working capital requirement is therefore primarily attributable to:

- growth in our business operations and project execution activities
- increased deployment of manpower and project resources
- mobilisation requirements
- execution of construction and underground utility projects involving specialised machinery, and
- the timing of customer collections vis-à-vis project-related expenditure.

Existing working capital

Our Company has considered the Restated Standalone Financial Statements for the purpose of assessing its existing working capital requirements and corresponding funding arrangements, as the Restated Financial Information include certain restatements and adjustments which have an impact on the audited standalone financial statements and, accordingly, have been appropriately reflected therein.

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The details of our Company's working capital for Fiscals 2026, 2025 and 2024 derived from the Restated Standalone Financial Statements of the Company and source of funding are provided in the table below:

(₹ in million)

Particulars	Fiscal 2024 (Restated)	Fiscal 2025 (Restated)	Fiscal 2026 (Restated)
Trade receivables	496.88	529.25	577.78
Other financial assets	0.01	0.36	0.14
Other current assets	172.28	341.77	540.76
Total current assets	**669.17**	**871.38**	**1,118.68**
Current liabilities			
Lease liabilities	1.66	1.41	1.65
Trade payables	122.14	167.08	119.91
Other financial liabilities	117.56	127.83	127.38
Other current liabilities	62.75	70.75	73.14
Provisions	2.07	2.91	10.10
Current tax liabilities (net)	-	-	-
Total current liabilities	**306.18**	**369.98**	**332.18**
Net Working Capital	362.99	501.40	786.50
Sources of funds			
Borrowings	112.21	117.72	70.10
Internal Accruals	250.78	383.68	716.40
Net Working Capital	**362.99**	**501.40**	**786.50**

Reasons for the increase in working capital requirements of the company during the last 3 financial years:

Fiscal 2025 compared with Fiscal 2024

Our Company net working capital increased from ₹362.99 million to ₹501.40 million, representing an increase of ₹138.41 million or 38.13%. The increase was primarily attributable to the ₹202.21 million increase in total current assets, particularly the increase in trade receivables and other current assets. This was partly offset by a ₹63.80 million increase in current liabilities, mainly on account of higher trade payables and other financial liabilities. The increase in working capital was predominantly funded through internal accruals, which increased by ₹132.90 million, while borrowings increased only marginally by ₹5.51 million.

Trade Receivables

Fiscal 2024 to Fiscal 2025

Our trade receivables increased from ₹496.88 million as of March 31, 2024 to ₹529.25 million as of March 31, 2025, representing an increase of ₹32.37 million. The increase was primarily attributable to the increase in the scale of our business operations and the corresponding increase in amounts outstanding from customers. The increase in trade receivables as of March 31, 2025 was also influenced by the timing of customer collections and amounts remaining outstanding in the ordinary course of business.

Fiscal 2025 to Fiscal 2026

Our trade receivables increased from ₹529.25 million as of March 31, 2025 to ₹577.78 million as of March 31, 2026, representing an increase of ₹48.53 million. The increase was primarily attributable to the continued growth in our business operations and the corresponding increase in amounts billed to and outstanding from customers. The receivable balance at the reporting date is influenced by the timing of invoicing, achievement of contractual or project milestones and subsequent realisation from customers. The increase as of March 31, 2026 primarily reflects the timing difference between billing and collection of amounts due from customers in the ordinary course of business.

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Under our contractual arrangements, billing is generally linked to the progress of execution or carried out at periodic intervals, depending on the nature of the contract. Accordingly, trade receivables represent amounts invoiced to customers for work completed but pending realization as at the reporting date. The level of receivables is influenced by the stage of execution of projects, achievement of billing milestones and the timing of invoicing and collections. The movement in trade receivables is broadly in line with the increase in revenue from operations during the year and the timing of billing and collections under our contracts.

Other Financial Assets

Fiscal 2024 to Fiscal 2025

Other financial assets increased from ₹0.01 million as of March 31, 2024 to ₹0.36 million as of March 31, 2025. The increase of ₹0.35 million was primarily attributable to changes in financial balances recoverable by the Company as at the reporting date. Given the relatively small absolute value of other financial assets, the movement did not have a material impact on the Company's overall working capital requirement.

Fiscal 2025 to Fiscal 2026

Other financial assets decreased marginally from ₹0.36 million as of March 31, 2025 to ₹0.14 million as of March 31, 2026, representing a decrease of ₹0.22 million. The movement was primarily due to realisation or settlement of certain financial balances during the year. Given the insignificant absolute value of this balance, the movement did not have a material impact on the Company's overall working capital requirement.

Other Current Assets

Fiscal 2024 to Fiscal 2025

Other Current Assets majorly comprised of contract assets, retention money and advance to supplier. Other current assets increased significantly from ₹172.28 million as of March 31, 2024 to ₹341.77 million as of March 31, 2025, representing an increase of ₹169.49 million or 98.38%. In terms of days, other current assets increased from 27 days in Fiscal 2024 to 45 days in Fiscal 2025, representing an increase of 18 days.

The increase was primarily attributable to the increase in contract assets from ₹147.57 million to ₹311.92 million, representing an increase of ₹164.35 million. Contract assets arise in connection with revenue recognised for work performed where the Company's right to consideration is subject to the fulfilment of specified contractual conditions or milestones. The increase in contract assets was primarily attributable to higher project execution and revenue recognised in respect of work performed for which the related billing milestones or contractual conditions had not been completed as of the reporting date. Accordingly, amounts remained classified as contract assets pending achievement of the relevant contractual milestones and subsequent billing.

Further, advances to suppliers increased from ₹8.99 million to ₹10.93 million, reflecting higher advances made to suppliers in connection with procurement and project execution requirements. Retention balances decreased from ₹11.56 million to ₹8.52 million, while balances with statutory/government authorities increased from ₹1.89 million to ₹8.92 million. The remaining balances were not material to the overall movement.

Accordingly, the increase in other current assets during Fiscal 2025 was substantially attributable to higher contract assets, with the increase in other balances being relatively smaller in comparison.,

Fiscal 2025 to Fiscal 2026

Other current assets increased further from ₹341.77 million as of March 31, 2025 to ₹540.76 million as of March 31, 2026, representing an increase of ₹198.99 million or 58.22%. The increase was primarily attributable to the increase in contract assets from ₹311.92 million to ₹410.93 million, representing an increase of ₹99.01 million. The increase in contract assets was primarily attributable to the higher level of project execution and work performed during the year, for which revenue was recognised but the corresponding right to consideration remained subject to achievement of contractual milestones or other conditions as of March 31, 2026. Accordingly, a higher amount remained recorded as contract assets at the reporting date pending subsequent billing.

The increase was also supported by a significant increase in retention balances from ₹8.52 million to ₹41.05 million, representing an increase of ₹32.53 million. Retention amounts generally arise where a portion of consideration is withheld by customers until completion of specified contractual conditions, milestones or defect-liability requirements. The increase in retention therefore reflects higher amounts



withheld by customers in relation to projects executed and outstanding as of the reporting date.
Further, advances to suppliers increased from ₹10.93 million to ₹37.62 million, an increase of ₹26.69 million, primarily reflecting higher advances made to suppliers towards procurement and project execution requirements. The Company also recognised ₹38.00 million towards advance for IPO expenses during Fiscal 2026, which was not present in the preceding fiscal year. This represented a new component of other current assets and contributed to the increase in the overall balance.

Accordingly, the increase in other current assets during Fiscal 2026 was driven by a combination of higher contract assets, increased retention balances and higher supplier advances.

Lease liabilities

Fiscal 2024 to Fiscal 2025

Lease liabilities decreased marginally from ₹1.66 million as of March 31, 2024 to ₹1.41 million as of March 31, 2025, representing a decrease of ₹0.25 million. The decrease was primarily attributable to payments made towards lease obligations during the year, partially offset by changes arising from the Company's ongoing lease arrangements.

Fiscal 2025 to Fiscal 2026

Lease liabilities increased marginally from ₹1.41 million as of March 31, 2025 to ₹1.65 million as of March 31, 2026, representing an increase of ₹0.24 million. The movement was primarily attributable to changes in the Company's lease obligations during the year. Given the small absolute value of lease liabilities, the movement did not have a material impact on the Company's overall working capital position.

Trade Payables

Trade payables represent amounts payable to suppliers and service providers for procurement of materials and services in the ordinary course of our business. With the increase in the number of projects executed during the year, our procurement of materials and services across project sites also increased to support project execution.

Fiscal 2024 to Fiscal 2025

Our trade payables increased from ₹122.14 million as of March 31, 2024 to ₹167.08 million as of March 31, 2025, representing an increase of ₹44.94 million or 36.79%. The increase was primarily attributable to increase in site expenses and construction expenses during the year and the corresponding increase in amounts payable to suppliers and vendors. Trade payable balances are also influenced by the timing of procurement, receipt of goods and services and settlement of supplier dues around the reporting date. Accordingly, the higher trade payables as of March 31, 2025 primarily reflect amounts outstanding to suppliers in the ordinary course of business.

Fiscal 2025 to Fiscal 2026

Our trade payables decreased from ₹167.08 million as of March 31, 2025 to ₹119.91 million as of March 31, 2026, representing a decrease of ₹47.17 million or 28.23%. The decrease was primarily attributable to settlement of outstanding supplier dues during the year and the timing of purchases and payments as of the reporting date. Accordingly, lower amounts remained payable to suppliers as of March 31, 2026 compared to the previous year.

Given the nature of our contracts, there is typically a time gap between execution of work, billing and realization of receivables. During this period, payments to suppliers and service providers continue in line with project requirements. Accordingly, such timing differences between collections from customers and payments to vendors also contributed to higher outstanding trade payables as at the year end. Accordingly, the increase / decrease in trade payables is primarily attributable to the higher scale of operations, increased procurement requirements and normal working capital cycle timing differences during the year.

Other financial liabilities

Our other financial liabilities primarily comprise employees' dues payable.

Fiscal 2024 to Fiscal 2025

Other financial liabilities increased from ₹117.56 million as of March 31, 2024 to ₹127.83 million as of March 31, 2025, primarily due to an

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increase in employee-related dues outstanding as of the reporting date.

Fiscal 2025 to Fiscal 2026

In Fiscal 2026, other financial liabilities remained broadly stable and decreased marginally to ₹127.38 million as of March 31, 2026. Primarily reflecting the timing of settlement of employee-related dues and indicating that employee-related liabilities remained broadly stable relative to the scale of our operations

Other Current Liabilities

Fiscal 2024 to Fiscal 2025

Other current liabilities increased in absolute terms from ₹62.75 million to ₹70.75 million due to changes in statutory liabilities arising in the ordinary course of business and the timing of their settlement as of the reporting date.

Fiscal 2025 to Fiscal 2026

Other current liabilities increased marginally from ₹70.75 million to ₹73.14 million, indicating that such liabilities increased broadly in line with the growth in our Company's operations.

Net Working Capital

Fiscal 2024 to Fiscal 2025

Our net working capital increased from ₹362.99 million as of March 31, 2024 to ₹501.40 million as of March 31, 2025, representing an increase of ₹138.41 million or 38.13%. The increase was primarily attributable to the ₹202.21 million increase in total current assets, mainly comprising higher trade receivables and other current assets, which was partly offset by the ₹63.80 million increase in total current liabilities. The increase in net working capital reflects higher funds deployed towards the Company's operating cycle and business requirements.

Fiscal 2025 to Fiscal 2026

Our net working capital increased significantly from ₹ 501.40 million as of March 31, 2025 to ₹ 786.50 million as of March 31, 2026, representing an increase of ₹285.10 million or 56.86%. The increase was primarily attributable to the ₹ 247.30 million increase in total current assets, mainly due to higher other current assets and trade receivables, together with a ₹ 37.80 million decrease in total current liabilities, principally on account of lower trade payables. Consequently, a higher quantum of funds was deployed towards the Company's operating cycle as of March 31, 2026.

Basis of estimation of working capital requirement

On the basis of existing and estimated working capital requirement of our Company and assumptions for such working capital requirements, our Board, pursuant to its resolution dated September 23, 2026, has approved the projected working capital requirements of ₹ 426.69 million for Fiscal 2027 and Fiscal 2028 and the proposed funding of such working capital requirements as set forth below:

(₹ in million)

Particulars	Fiscal 2027 (E)	Fiscal 2028 (P)
Trade receivables	669.02	1,156.47
Other financial assets	0.15	0.15
Other current assets	639.69	1,137.81
Total current assets	**1,308.85**	**2,294.43**
Current liabilities		
Lease liabilities	1.65	1.65
Trade payables	135.78	229.92
Other financial liabilities	142.92	242.01

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Other current liabilities	82.88	120.46
Provisions	10.10	10.10
Total current liabilities	**373.33**	**604.14**
Net Working Capital	935.52	1,690.30
Sources		
Borrowings	19.84	-
Internal Accruals	841.98	1,337.31
IPO	73.70	352.99
Net Working Capital	**935.52**	**1,690.30**

Holding levels

(in Days)

Particulars	For the Fiscal 2024	For the Fiscal 2025	For the Fiscal 2026	For the Fiscal 2027	For the Fiscal 2028
Trade receivables	78	70	73	73	75
Other financial assets	0	0	0	0	0
Other current assets	27	45	69	70	73
Trade payables	19	22	15	15	15
Other financial liabilities	18	17	16	16	16
Other current liabilities	10	9	9	9	8
Net working Capital Days	**57**	**67**	**102**	**103**	**110**

Assumptions and justifications for holding period levels of our Company

Particulars	Assumptions
Trade Receivables	Trade receivables primarily arise from the execution of telecommunication infrastructure projects and operations and maintenance ("O&M") services undertaken by the Company. Receivables are generally realised based on the contractual billing arrangements with customers, which may include milestone-based billing linked to the progress of project execution and periodic billing arrangements for O&M services. Accordingly, the level of trade receivables as at the reporting date is influenced by the timing of billing, achievement of project milestones, execution status of ongoing projects and subsequent collection from customers. During the historical periods, the trade receivable holding levels were 78 days in Fiscal 2024, 70 days in Fiscal 2025 and 73 days in Fiscal 2026. The reduction in receivable holding levels from 78 days in Fiscal 2024 to 70 days in Fiscal 2025 reflects the timing of collections and realization of outstanding customer dues relative to the growth in the Company's operations. The subsequent increase to 73 days in Fiscal 2026 primarily reflects the timing of billing and collections under ongoing projects and O&M contracts as at the reporting date. The movement in receivable holding levels during these periods is also influenced by the stage of execution of projects and the timing of achievement of contractual billing milestones. Trade receivable days are estimated at 73 days for Fiscal 2027 and 75 days for Fiscal 2028, compared to 73 days in Fiscal 2026. The projected holding period is based on our recent historical collection cycle and takes into consideration the contractual billing arrangements under project execution and O&M contracts, including milestone-based and periodic billing. Accordingly, the Company has considered the Fiscal 2026 level to be representative of its expected collection cycle for Fiscal 2027. The marginal increase to 75 days in Fiscal 2028 reflects the expected scale-up of project execution, including construction and underground utility projects where billing is linked to the achievement of contractual milestones.
Other current assets	Other current assets primarily comprise contract assets, retention amounts, advances to suppliers, balances with statutory/government authorities and other operating advances and recoverable amounts.

Particulars	Assumptions
	Contract assets primarily arise in respect of revenue recognised for work performed where the Company's right to consideration remains subject to the fulfilment of specified contractual conditions or milestones. Retention amounts represent amounts withheld by customers in accordance with contractual terms and are generally realised upon completion of specified contractual obligations or other agreed conditions. Other current asset days are estimated to increase marginally from 69 days in Fiscal 2026 to 70 days in Fiscal 2027 and 73 days in Fiscal 2028. The projected levels take into consideration the expected scale of project execution, the timing of recognition and subsequent billing of contract assets, retention amounts and advances to suppliers, as well as the expected timing of recovery or adjustment of such balances. The gradual increase is reflective of the expected increase in business activities and the corresponding deployment of funds towards contract-related and other operating assets.
Trade payables	Trade payables primarily arise from purchases of materials, subcontracting services and other goods and services required in connection with the Company's project execution and O&M activities. The level of trade payables is influenced by the Company's procurement requirements, supplier credit terms and the timing of purchases and settlement of outstanding dues as at the reporting date. During the historical periods, trade payable holding levels were 19 days in Fiscal 2024, 22 days in Fiscal 2025 and 15 days in Fiscal 2026. The increase from 19 days in Fiscal 2024 to 22 days in Fiscal 2025 reflects the timing of procurement and settlement of supplier dues and the availability of supplier credit during the period. The subsequent reduction to 15 days in Fiscal 2026 primarily reflects settlement of outstanding supplier dues and the timing of purchases and payments as at the reporting date. Trade payable days are estimated at 15 days for Fiscal 2027 and Fiscal 2028, compared to 15 days in Fiscal 2026. The projected holding period has been considered based on the Company's recent historical level of supplier credit and the expected procurement and payment cycle for materials, subcontracting services and other project-related requirements. Accordingly, no material increase in supplier credit has been assumed in the projected periods.
Other financial liabilities	Other financial liabilities primarily comprise employees' dues payable. The holding level of other financial liabilities was 18 days in Fiscal 2024, 17 days in Fiscal 2025 and 16 days in Fiscal 2026. The broadly stable holding levels indicate that employee-related dues have remained relatively consistent in relation to the scale of the Company's operations. For Fiscal 2027 and Fiscal 2028, days are estimated at 16 days considering the historical trend in employee-related dues and the expected timing of settlement of such obligations.
Other current liabilities	Other current liabilities primarily comprise operating and statutory liabilities arising in the ordinary course of business. The holding level of other current liabilities was 10 days in Fiscal 2024 and 9 days in each of Fiscal 2025 and Fiscal 2026. The broadly stable holding levels indicate that such liabilities have remained largely consistent and reflect the normal timing of recognition and settlement of these obligations. The projected levels of 9 days in Fiscal 2027 and 8 days in Fiscal 2028, are based on the historical trend and expected timing of settlement of operating and statutory liabilities in the ordinary course of business.

Rationale of working capital requirement of our Company

Our operations are currently carried out across multiple states in India, where we undertake telecommunication infrastructure operations and maintenance ("O&M") services, fibre optic cable ("OFC") laying and maintenance, tower and related infrastructure services, project execution and other allied telecommunication infrastructure activities. Our operations require deployment of technical and field personnel, equipment, vehicles, tools and other resources at project and customer locations. Our presence across multiple geographic locations enables us to undertake projects and provide O&M services across different telecom circles and customer locations.

We intend to further expand our operational presence across additional geographic regions in India, where opportunities for telecommunication infrastructure deployment, OFC laying, network rollout, infrastructure O&M and allied technical services are available. Such expansion would require us to deploy additional manpower, establish project and operational teams, mobilise equipment and vehicles and incur expenses towards mobilisation, procurement of materials and other project-related requirements across multiple locations. The expansion of our geographic presence and increase in the scale of our project execution activities are therefore expected to result in higher deployment of funds towards trade receivables, contract assets, advances to suppliers and other operating assets, thereby increasing our working capital requirements.

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In addition to our existing telecommunication infrastructure business, we are diversifying our operations into construction and interior services and oil & gas sewerage services. These businesses involve project-based execution and may require us to undertake activities such as procurement of construction and project materials, deployment of skilled and unskilled manpower, engagement of subcontractors, mobilisation of equipment and other resources, as well as site-level execution and related activities. The nature and scale of these activities may require us to incur expenditure during the course of project execution, while corresponding customer billing and collections may occur subsequently based on contractual milestones, progress of work or agreed billing cycles.

The expansion into these new business segments is therefore expected to increase the scale and scope of our operations and may result in higher trade receivables, contract assets, advances to suppliers and other operating assets. In particular, project execution may result in a time gap between expenditure incurred towards manpower, materials, subcontracting and mobilisation and the receipt of corresponding customer payments. Further, the initial establishment and execution of projects in these segments may require additional mobilisation of resources and deployment of funds.

Accordingly, the continued expansion of our existing telecommunication infrastructure O&M and project execution activities, together with our diversification into construction and interior services and oil & gas sewerage services, is expected to increase our working capital requirements. The extent of such requirement will depend on the scale and nature of projects undertaken, contractual billing milestones, customer collection cycles, procurement and supplier credit terms and the timing of project execution and completion.

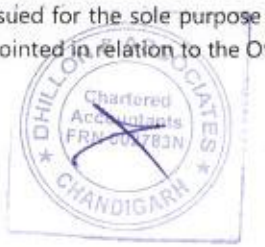
With the anticipated increase in revenue from ongoing projects as of March 31, 2026 and the new projects which shall be awarded during Fiscal 2027 and Fiscal 2028, we expects its project execution activities to increase during the projected period. The increase in the scale of operations is expected to result in higher deployment of funds towards procurement of materials, mobilisation of manpower and equipment, subcontracting, site establishment and other project-related expenses. Further, considering the contractual billing and collection cycle of the projects, there may be a time gap between the incurrence of project-related expenditure and receipt of corresponding customer payments, resulting in an incremental requirement for working capital.

We have performed the following procedures:

- Reviewed the draft red herring prospectus to understand the stated objects of the Offer and the intended utilization of proceeds.
- Verified the accuracy and completeness of the disclosures related to the objects of the Offer by examining supporting documents, including agreements, approvals, contracts, and other relevant records.
- Assessed the financial estimates, assumptions, and project details included in the prospectus for reasonableness and compliance with applicable guidelines and standards.
- Evaluated the allocation of funds for specific purposes by comparing the stated objects of the Offer with the management's representations, records, and supporting documentation.
- Examined the internal controls and monitoring mechanisms established by the management to oversee the application of funds in alignment with the stated objects of the Offer.
- Conducted inquiries with the management and relevant officials to gain an understanding of the planning, implementation, and intended use of the proceeds.
- Confirmed the validity of disclosures in the prospectus related to the objects of the Offer, including risks, timelines, and assumptions, through verification of relevant records and management representations.
- Verified that the disclosures are in compliance with applicable laws, regulations, and guidelines issued by regulatory authorities

We have conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (**Guidance Note**) issued by the Institute of Chartered Accountants of India ("**ICAI**"). The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI. We have also 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.

This certificate is issued for the sole purpose of the Offer, and can be used by the Company, the Book Running Lead Manager, and the Legal Counsels appointed in relation to the Offer. We hereby consent to extracts of, or reference to, this certificate being used in the draft



red herring prospectus, red herring prospectus and prospectus or any other documents in connection with the Offer (collectively, the "**Offer Documents**"). We also consent to the submission of this certificate as may be necessary, to SEBI, Stock Exchanges, Registrar of Companies and any regulatory authority and/or for the records to be maintained by the Book Running Lead Manager in connection with the Offer 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 Offer Documents.

We also consent to the inclusion of this letter as a part of "Material Contracts and Documents for Inspection" in connection with this Offer, which will be available to public for inspection.

We confirm that we will immediately communicate any changes in writing in the above information to the Book Running Lead Manager until the date when the Equity Shares allotted and transferred in the Offer commence trading on the relevant stock exchanges. In the absence of any such communication from us, the Book Running Lead Manager and the Legal Counsel in relation to the Offer, can assume that there is no change to the above information.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Offer Documents.

For and on behalf of
Dhillon & Associates
Chartered Accountants
ICAI Firm Registration Number: 002783N



Rajesh Malhotra
(Partner)
Membership No.: 090661
Place: Chandigarh
Date: September 23, 2026
UDIN: 26090661ADVHHK5746

CC:

Legal Counsel to the Offer

Legacy Law Offices LLP
Legacy House, D-18, Kalkaji,
New Delhi- 110019, India.