



Certificate on Requirement of Working Capital of the Company based on Prospective Financial Information

Date: September 22, 2025

To,
The Board of Directors
Fabtech Technologies Limited
(Formerly known as Fabtech Technologies Private Limited)
715, Janki Centre, Off. Veera Desai Road,
Andheri West, Mumbai City,
Mumbai – 400 053, Maharashtra, India.
(the “Company”)

To,
Unistone Capital Private Limited
305, A Wing, Dynasty Business Park,
Andheri Kurla Road, Andheri (E),
Mumbai – 400 059, Maharashtra, India.
(the “Book Running Lead Manager”)

Re: Proposed initial public offering of equity shares of ₹10 each (the “Equity Shares”) of Fabtech Technologies Limited (the “Company” and such offer, the “Issue”).

We, Ajmera & Ajmera Chartered Accountants, (Firm Registration Number: 018796C), Statutory Auditors of the company, have received a request from the management of the Company to review the working capital requirement of the Company and confirm details required for disclosures for the proposed Issue.

We have reviewed the restated standalone financial statements of the Company as of and for the years ended, March 31, 2025, March 31, 2024 and March 31, 2023, prepared in accordance with the Companies Act, 2013, as amended (the “Companies Act”) and Indian Accounting Standards (“Ind AS”) prescribed under the Companies Act (Indian Accounting Standards) Rules, 2015 and restated in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”) and the reports issued thereon (the “Restated Consolidated Financial Statements”).

Working Capital Requirements:

Basis of estimation of working capital requirement

(a) Existing working capital

Set forth below are the working capital of the Company (on a restated standalone basis), as on Fiscals 2025, 2024 and 2023 respectively:

(₹ in lakhs)			
Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Current Assets			
Inventories	1,599.17	1,639.27	1,723.53
Trade receivables	12,326.24	9,407.99	9,941.24
Bank balances other than cash and cash equivalent	1,768.00	735.56	998.60
Other financial assets and current assets	6,138.55	6,171.05	4,056.25
Total Current Assets (A)	21,831.96	17,953.87	16,719.62
Current Liabilities			
Trade payables	7,436.63	5,729.57	5,399.63
Other financial liabilities	10.65	107.03	19.78
Other current liabilities	4,503.58	5,410.81	3,370.45
Total Current Liabilities (B)	11,950.86	11,247.41	8,789.86
Net Working Capital Requirements (A-B)	9,881.10	6,706.46	7,929.76
Source of funds			
Borrowings	3,241.71	729.81	3,307.03
Internal accruals	6,639.39	5,976.65	4,622.73

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Note: Current assets include amount of Bank balances other than cash and cash equivalent which is marked as lien, as it is blocked in the form of FD, margin money and collateral against Bank Guarantee. Further, it doesn't include cash and cash equivalents. Current liabilities do not include borrowings, current maturities of long-term borrowings and current lease liabilities.

Utilisation of non-fund based credit limits for working capital requirements

(₹ in lakhs)

Particulars	As at July 31, 2025	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Non Fund Based				
RBL Bank	368.00	368.00	355.00	4,900.00
Axis Bank	2,275.00	2,275.00	2,275.00	2,275.00
Indusind Bank Limited	200.00	200.00	-	-
Non Fund Based Credit Limits	2,843.00	2,843.00	2,630.00	7,175.00
Utilisation*	2,034.13	1,570.67	2,554.10	3,183.47
Utilisation %	71.55%	55.25%	97.11%	44.37%

* In Axis Bank facility BG are opened in erstwhile demerged company Fabtech Technologies International Private Limited ("FTIPL") and pursuant to demerger, limits of FTIPL was transferred to the company and it was earmarked out of the sanction limit of the company.

(b) Future Working Capital

The company propose to raise ₹ 12,700 lakhs, out of which ₹ 6,600 lakhs of the Net Proceeds will be utilized in Fiscal 2026 and the balance amount of ₹ 6,100 lakhs of the Net Proceeds will be utilized in Fiscal 2027, respectively, to fund the working capital requirement for business operations and executing future projects of the Company. Any additional working capital requirement of the Company shall be met through internal accruals and / or cash credit and / or working capital borrowings.

Considering the existing working capital requirements and as expected for the future, the Board of Directors of the company, pursuant to their resolution dated September 11, 2025, has approved the estimated working capital requirements for Fiscal 2026 and Fiscal 2027 and the proposed funding of such working capital requirements which are detailed below:

(₹ in lakhs)

Particulars	Estimated as at	
	As at March 31, 2026	As at March 31, 2027
Current Assets		
Inventories	1,807.94	2,169.53
Trade receivables	14,664.68	16,619.97
Cash and Bank Balance	3,117.18	3,420.62
Other financial assets and current assets	4,839.97	5,770.01
Total Current Assets (A)	24,429.77	27,980.13
Current Liabilities		
Trade payables	4,818.42	5,771.13
Other Financial liabilities	93.34	102.67
Other Current liabilities	3,824.12	4,588.95
Total Current Liabilities (B)	8,735.88	10,462.75
Net Working Capital Requirements (A-B)	15,693.89	17,517.38
Source of funds		
Borrowings	3,496.93	3,271.97
Internal accruals / Net worth	5,596.96	8,145.41
Proceeds from the Issue	6,600.00	6,100.00

Note: - Current assets include amount of deposits which will be marked as lien (as estimated by the company) as it will be blocked in the form of FD, margin money and collateral against Bank Guarantee. Further, it doesn't includes cash and cash equivalents balance. Current liabilities do not include borrowings, current maturities of long term borrowings and current lease liabilities.

Holding levels and key assumptions for working capital requirements:

The following table sets forth the details of the holding period (with days rounded to the nearest whole number) considered for the Fiscal 2025, Fiscal 2024 and Fiscal 2023, on the basis of restated standalone financial statements, as well as estimated for Fiscal 2026 and Fiscal 2027:

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Particulars	As at March 31, 2023	As at March 31, 2024	As at March 31, 2025	As at March 31, 2026	As at March 31, 2027
	(Actual)	(Actual)	(Actual)	(Estimated)	(Estimated)
Inventories*	61	50	45	40	40
Trade receivables [#]	195	159	193	177	168
Trade payables [§]	134	135	160	82	82

* The holding period for inventories is determined by dividing the stock-in-trade as on balance sheet date by the purchases of stock-in-trade and then multiplying the result by 365 to express it in days.

[#] The holding period for Trade receivables is determined by dividing the closing gross Trade receivables by the revenue from operations, and then multiplying the result by 365 to express it in days.

[§] The holding period for Trade payables is determined by dividing the trade payable by aggregate value of purchase of stock in trade, operating expenses and selling expenses and then multiplying the result by 365 to express it in days.

Key justification for holding levels:

The following are the key justifications for the company's maintenance of specified resource levels from the company's perspective:

Inventories	We confirm that the historical inventory holding period, calculated as the closing inventory on the balance sheet date divided by the purchase of stock-in-trade over 365 days, has varied from 45 to 61 days over the last three financial years. This variation is due to the changing nature of our company's project pipeline, the specialized equipment which we procure, and the logistical challenges we face, especially in emerging markets. For Fiscal Years 2026 and 2027, we expect the inventory holding period to stabilize at 40 days. This projection aligns with our expected business growth and the rising order book position for our engineering solutions in the pharmaceutical, biotech, and healthcare sectors. Since our projects often require customized equipment and materials, keeping an adequate inventory is crucial to ensure smooth project execution and timely delivery. Additionally, as our projects are mainly in emerging markets, where logistics can be more challenging, maintaining a 40-day inventory holding period help us to manage these risks, improve supply chain reliability, and stay flexible to meet project needs and market conditions. This approach supports our commitment to delivering high-quality, turnkey engineering solutions.
Trade Receivables	We also confirm that the historical holding days of trade receivables, calculated as the closing trade receivables (gross) divided by revenue from operations over 365 days, were 195 days, 159 days, and 193 days for Fiscals 2023, 2024, and 2025, respectively. The increase in our receivable days for Fiscal 2025 was primarily due to a significant number of dispatches in the last quarter. Given the nature of our projects, which typically involve comprehensive services ranging from designing, procurement, and supply to the erection and installation of equipment at customer facilities, the duration of the company's projects is inherently longer. Our payment terms are also influenced by the formal contracts which we execute with customers, which often include retention clauses. These clauses stipulate that a portion of the payment, known as Retention Money, is withheld and only paid after a specified period following the completion of the project to ensure quality and compliance. This practice naturally extends our receivable period. Moreover, our customer base, consisting of both government and private entities, often releases payments after the satisfactory dispatch and delivery of goods, further impacting our receivable days. Considering our projected business growth and the nature of the contracts, we anticipate trade receivables to stabilize between 165 to 180 days. This level reflects the complexity and duration of our projects and is aligned with industry standards in sector.
Cash and cash equivalent other than free cash and cash equivalent	We further confirm that our working capital requirements arise from the necessity to maintain fixed deposits with banks to secure the issuance of bank guarantees. These fixed deposits are lien-marked by the banks at the time of issuing the guarantees and are required both within sanctioned limits and beyond sanctioned limits. Typically, it is required to maintain fixed deposits amounting to approximately 15% of the bank guarantees issued if they fall within the sanctioned non-fund-based limits. However, if the guarantees exceed the sanctioned non-fund-based limits, 100% of the value of these guarantees must be covered by fixed deposits. Given the current order book and the expected order wins, we anticipate that

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	the requirement for such fixed deposits will increase in range of 3,100 to 3,500 Lakhs in Fiscal 2026 and in Fiscal 2027. This reflects our strategy to ensure sufficient liquidity and financial security to support our expanding operations and meet the growing order book position of our projects. The cash and cash equivalents comprise collateral security given in favour of Axis Bank Limited, RBL Bank Limited, HDFC Bank Limited and IndusInd Bank Limited for an amount of ₹ 1,684.52 lakhs, margin money against bank guarantee and letter of credit of an amount of ₹ 186.40 lakhs and Collateral to ICICI Bank of an amount of ₹ 500.00 lakhs in Fiscal 2026 and The cash and cash equivalents comprise collateral security given in favour of Axis Bank Limited, RBL Bank Limited, HDFC Bank Limited and IndusInd Bank Limited for an amount of ₹ 2,430.77 lakhs, margin money against bank guarantee and letter of credit of an amount of ₹ 186.40 lakhs and Collateral to ICICI Bank of an amount of ₹ 500.00 lakhs in Fiscal 2027. It also includes margin money against bank guarantee and letter of credit for new orders of an amount of ₹ 746.25 lakhs and ₹ 303.44 lakhs in Fiscal 2026 and 2027, respectively.
Other financial assets and current assets	Other financial and current assets primarily include balances with GST input credit, export incentives, security deposits, advances to suppliers and contractors, loans and advances to staff, and prepaid expenses. We estimate that the growth in these assets will align with the overall growth of our business. As the operations expand, we expect corresponding increases in these categories of assets to support the business activities and manage our operational needs effectively. Other financial assets and current assets comprise of security deposits of an amount of ₹ 109.35 lakhs and ₹ 109.35 lakhs, loans and advances to employees of an amount of ₹ 168.76 and ₹ 202.51 lakhs, prepaid expenses of an amount of ₹ 57.96 lakhs and ₹ 60.86 lakhs, balances with government authorities of an amount of ₹ 2,420.71 lakhs and ₹ 2,904.85 lakhs, advances for supply of goods and services of an amount of ₹ 2,033.94 lakhs and ₹ 2,440.72 lakhs, and other current assets of an amount of ₹ 49.24 and ₹ 51.71 lakhs in Fiscal 2026 and 2027, respectively.
Trade Payables	Past trend of trade payable holding days calculated as closing trade payables as on balance sheet date divided by aggregate value of purchases of stock in trade, operating expenses and selling expenses over 365 days has been in range 134 days to 160 days during the last three financial years. However, we estimate to reduce holding level for trade payable in the range of 82 to 82 days for Fiscal 2026 and Fiscal 2027 to avail discount as well as competitive purchase price to increase overall profitability of our Company. We further estimate to streamline its payable processes to its vendors enabling it to negotiate for better rates. Additionally, as per our estimation, prompt payments empower us to negotiate more favourable terms and prices, fostering stronger supplier relations and bolstering our bottom line.
Other current liabilities	Other current liabilities primarily include advances received from customers, employee-related liabilities, statutory dues, and interest accrued but not yet due. We expect these liabilities to be in line with our anticipated growth. However, we estimate that advances received from customers, which represent pre-payments for future project deliveries or services, are expected to decrease from historical levels. This is because some of the turnkey orders do not include an advance payment clause, and collections for these projects will occur after the shipment of materials. We also anticipate that future orders may follow similar payment terms with no advance payments clause. Other current liabilities comprise of statutory dues payable of ₹ 83.13 lakhs and ₹99.76 lakhs and advance received from Customers of ₹ 3,740.99 lakhs and ₹ 4,489.19 lakhs in Fiscal 2026 and 2027, respectively.
Short Term Provision	Short-term provisions include income tax liabilities and employee-related liabilities. Based on our expectation with regard to business activity, we do not anticipate any major changes in these provisions.

The details of the free cash and lien/block cash as of August 31, 2025 and March 31, 2025 have been provided below:

(₹ in lakhs)

Particulars^	August 31, 2025	March 31, 2025**
Free Cash	570.82	828.08
Lien/Blocked Cash	1,870.92	1,768.00

^For the purpose of above calculation we have considered "Cash and cash equivalents" and "Bank balances other than Cash and cash equivalent".

**The said figures are considered from Restated Standalone Financial Statements as on March 31, 2025.

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Ajmera & Ajmera

Chartered Accountants

The estimates of working capital requirements for the Fiscal 2026 and Fiscal 2027 have been prepared by the management of the Company. The same is based on the estimates of future financial performance as projected by the management of the Company, which represents their view of reasonable expectations at the point of time when they were prepared, but such information and estimates are not offered as assurances that the same will be achieved or events will occur as predicted. The projection has been prepared using set of assumptions that include hypothetical assumptions about future events and management's action that are not necessarily expected to occur. Consequently, users are cautioned that this projection may not be appropriate for the purposes other than that described herein.

Our review of the above working is dependent upon the information furnished to us by the management being complete and accurate in all material respect. We have not performed any audit of the said projections or any of the prospective information used and therefore do not express any opinion with regards to the same.

We confirm that the information in this certificate is true, fair and correct, and is in accordance with the requirements of the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable law, and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context. We confirm that the information in this certificate is adequate to enable investors to make a well-informed decision, to the extent that such information with respect to us is relevant to the prospective investor to make a well-informed decision.

This certificate is issued for the sole purpose of the Issue, and can be used, in full or part, for inclusion in the Issue Documents, and for 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 Book Running Lead Manager in connection with the Issue and in accordance with applicable law, and for the purpose of any defense the Book Running Lead Manager may wish to advance in any claim or proceeding in connection with the contents of the Issue Documents.

This certificate may be relied on by the Book Running Lead Manager, their affiliates and legal counsel in relation to the Issue.

We confirm that on receipt of any written communication from Company of any changes in the information, we will immediately communicate any changes in writing in the above information to the Book Running Lead Managers until the date the Equity Shares issued pursuant to the Issue commence trading on the stock exchanges. In the absence of any communication from us till the Equity Shares commence trading on the stock exchanges, you may assume that there is no change in respect of the matters covered in this certificate.

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

Yours faithfully,

For Ajmera & Ajmera,
Chartered Accountants
FRN: 018796C
Peer Review Certificate No: 014607

Sourabh Ajmera
Partner
Membership No.: 166931
UDIN: 25166931BMNPVX5257



Place: Mumbai
Date: September 22, 2025

Cc:
Legal counsel to the Issue
T&S Law
Unit Number 15, Logix Technova,
Block B, Sector 132, Noida – 201 304,
Uttar Pradesh, India.

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