

To,
The Board of Directors,
Monarch Surveyors and Engineering Consultants
Limited
Monarch House, CTS No. 434/1, Near Kawade
Petrol Pump, Ghorpadi Gaon, Hadapsar (N.V.),
Haveli, Pune – 411 036

TO,
BEELINE CAPITAL ADVISORS PRIVATE
LIMITED,
B/1311-1314, Shilp Corporate Park Near Rajpath
Club, Rajpath Rangoli Road, Sarkhej -
Gandhinagar Hwy, Ahmedabad, Gujarat 380054

(Beeline Capital Advisors Private Limited Referred to as the “Lead Manager”)

Dear Sir,

SUB: Proposed Initial Public Offering of Equity Shares of ₹ 10 Each (The “Equity Shares”) Of Monarch Surveyors and Engineering Consultants Limited (The “Company” and Such Offering, The “Issue”)

According to the revenue and other assumptions, information/explanation as provided by the Company, Terms of our engagement with the Company and as per relevant records produced before us, we certify that we have examined the correctness of working capital assessment of the Company and funding pattern of working capital gap as follows:

Working Capital Requirement

The business of Monarch Surveyors and Engineering Consultants Limited is a working capital intensive business. Considering the existing growth rate, the total working capital needs of the Company (as assessed by the Company based on their internal workings), is expected to reach **Rs. 2967.56 Lacs** for FY 2025-26 and **Rs. 4066.56 Lacs** for FY 2026-27. They will meet the requirement to the extent of **Rs. 1250.00 Lacs** for FY 2025-26 and **Rs. 1750.00 Lacs** for FY 2026-27 from the Net Proceeds of the Issue and balance from Internal Accruals at an appropriate time as per the requirement.

As per the internal workings provided by the Company for future Projections and Restated Standalone Financial Statements of the Company issued by M/s. C. R. Sagdeo & Co. dated June 12, 2025 for last three years, the position of estimated working Capital as per requirement arrived is as follows:

Details of Estimation of Working Capital requirement are as follows:

S. No.	Particulars	Actual (Restated)	Actual (Restated)	Actual (Restated)	Provisional	Provisional
		31-March-23	31-March-24	31-March-25	31-March-26	31-March-27
I	Current Assets					
	Trade receivables	617.95	986.19	3962.69	2751.62	3577.10
	Cash and cash equivalents	218.38	1086.90	571.10	290.28	362.35
	Short term loan & Advances	83.74	77.24	63.48	150.00	195.00
	Other Current Assets	980.94	669.55	154.55	1869.55	2527.55
	Total(A)	1901.00	2819.88	4751.82	5061.45	6662.00
II	Current Liabilities					
	Trade payables	896.59	991.47	1708.97	1518.89	1970.45
	Short Term Provisions	53.96	163.35	346.74	250.00	275.00
	Other Current Liabilities	143.86	206.64	254.92	325.00	350.00
	Total (B)	1094.41	1361.46	2310.63	2093.89	2595.45
III	Total Working Capital	806.60	1458.42	2441.19	2967.56	4066.55



	Gap (A-B)					
IV	Funding Pattern					
	Short term borrowing & Internal Accruals	806.60	1458.42	2441.19	1717.56	2316.55
	IPO Proceeds	--	--	--	1250.00	1750.00

Holding Levels

The following table sets forth the details of the holding period levels (in days) considered:

Key assumptions for working capital projections made by the Company:

Current Assets

Trade Receivables:

Particulars	Actual March 31, 2023	Actual March 31, 2024	Actual March 31, 2025	Projected March 31, 2026	Projected March 31, 2027
Trade Receivables (in Lakhs)	617.95	986.19	3962.69	2751.62	3577.10
In Days	31	25	93	39	39

The Trade Receivables levels for FY23 to FY24, has increased from ₹617.95 Lakhs to ₹ 986.19 Lakhs. The Company has been kept its efficiency throughout in collection from the debtors and converting the debtors into cash. The increase in Trade Receivables in FY25 i.e., ₹3962.69 Lakhs is primarily due to several invoices raised during the month of March 2025. A majority of these outstanding receivables as of 31st March 2025 were subsequently realized during April 2025 and May 2025. The customer base, predominantly comprises of various Central and State government organizations. General Payment terms extend to 45 to 60 days and the payments are received post project certification. The Company plans to execute larger contracts and expects increase in realization period of the debtors, hence alongside the sales growth the Company projects debtors' days to be 39 days in FY26 and FY27.

Other Financial Current Assets & Cash and Cash Equivalents:

Particulars	Actual March 31, 2023	Actual March 31, 2024	Actual March 31, 2025	Projected March 31, 2026	Projected March 31, 2027
Cash & Cash Equivalents (in Lakhs)	218.38	1,086.90	571.10	290.28	362.35
Days	11	28	13	4	4
Short term Loans and Advances (in Lakhs)	83.74	77.24	63.48	150.00	195.00
Days	4	2	1	2	2



The Company has managed its cash and cash equivalents strategically to support its working capital needs and moderates the same to effectively manage its business and working capital cycle. Cash & Cash Equivalents increased to ₹1,086.90 lakhs in FY24 due to increased level of Deposits maturing within 3 months. In FY25 the Company has normalized the Cash and Cash Equivalent level to Rs. 571.10 Lacs. In the coming years, cash balances are projected to be in line with operational requirements, a projected reduction to ₹ 290.28 Lakhs in FY26 and ₹362.35 Lakhs in FY27 as working capital is optimized.

The Company's other Short-Term Loan & Advances, mainly short-term advances, have declined from 4 days in FY23 to 2 days in FY24 and 1 day in FY25, reflecting strong management of short-term obligations. These assets are projected to stay around 2 days of sales in coming years FY26 and FY27.

Other Current Assets

Particulars	Actual March 31, 2023	Actual March 31, 2024	Actual March 31, 2025	Projected March 31, 2026	Projected March 31, 2027
Other Current Assets (in Lakhs)	980.94	669.55	154.55	1869.55	2527.55
In Days	49	17	4	27	28

The Company has maintained a streamlined approach to managing its other current assets. Over the past few years, the company's other current assets have ranged from ₹ 980.93 Lakhs in FY23 to ₹669.55 lakhs in FY24 which primarily consist of Balances with Revenue Authorities such as GST Input Credit, TDS and TCS. In FY25 this amount has reduced to Rs. 154.55 Lakhs on account of realization of balances with Revenue Authorities. The increased amount of Other Current Assets of ₹ 1869.55 Lakhs in FY26 and ₹2527.55 Lakhs in FY27 is predominantly comprising of the GST input credits due to the Capital Expenditure planned by the company in FY26 & FY27 and TDS and TCS due to increased level of operations of the Company.

Current Liabilities

Trade Payables

Particulars	Actual March 31, 2023	Actual March 31, 2024	Actual March 31, 2025	Projected March 31, 2026	Projected March 31, 2027
Trade Payables (in Lakhs)	896.59	991.47	1708.97	1518.89	1970.45
In Days	75	53	92	45	45

The Trade Payables days observed reduction in days, decreasing from 75 days in FY 2023 to 53 days in FY 2024. The increase in Trade Payables in FY25 is primarily due to several invoices raised by the vendors during the month of March 2025. A majority of these outstanding Trade payables as of 31st March 2025 were subsequently paid during April 2025 and May 2025. The company expect to decrease trade payables days to 45 days for FY2026 and FY 2027, respectively on account of our strategic decision to maintain better cash flows. The projected decrease in trade payables days is a strategic decision driven by the companies objectives to secure the best pricing and foster strong relationships with the suppliers. By reducing this time, it takes to settle the payables, the company aim to negotiate more favorable terms and conditions with the suppliers, enabling to access competitive pricing for the goods and services procured.



Other Current Liabilities

Particulars	Actual March 31, 2023	Actual March 31, 2024	Actual March 31, 2025	Projected March 31, 2026	Projected March 31, 2027
Other Current Liabilities (in Lakhs)	143.86	206.64	254.92	325.00	350.00
In Days	12	11	14	10	8
Short Term Provisions (in Lakhs)	53.96	163.35	346.74	250.00	275.00
Days	5	9	19	7	6

The Company has effectively managed its other current liabilities, maintaining a healthy balance between liabilities and sales growth. In FY23, other current liabilities stood at ₹143.86 lakhs. In FY24 and FY25, these liabilities grew to ₹206.64 lakhs and ₹ 254.92 lakhs, respectively. The Other Current Liabilities days are stable. Going forward the Other Current Liabilities are expected to be 10 days for FY26 and 8 days for FY27.

Short Term provisions majorly include provisions for expenses and taxation which was ₹53.96 Lakhs in FY2023, ₹163.35 for FY2024 and ₹346.74 for FY2025. As the operations of the company grows, we expect other provision at level of ₹250.00 Lakhs and ₹275.00 Lakhs for FY2026 and FY2027 respectively.

Bifurcation of Internal Accruals and Short-term borrowing:

Particulars	Actual March 31, 2023	Actual March 31, 2024	Actual March 31, 2025	Projected March 31, 2026	Projected March 31, 2027
Short Term Borrowings	447.29	307.52	338.56	204.61	200.00
Internal Accruals (out of Profits generated by the Company and reserve & Surplus)	359.31	1150.91	2102.63	1512.95	2116.56*
Short-term borrowing & Internal Accruals	806.60	1458.42	2441.19	1717.56	2316.56

* This amount includes ₹1250.00 Lakhs of IPO proceeds utilized for FY2026, carried forward to the subsequent year.

The company's internal accruals are partially used for working capital, while the majority is allocated to key financial commitments such as bidding for tenders, providing retention money for ongoing projects, and issuing bank guarantees to support project execution. These allocations ultimately form part of the company's non-current assets in the form of retention money, security deposits, and fixed deposits (FDR) against bank guarantees.



The above certificate has been given on the specific request of the Company management for IPO of the company

M/s. C. R. Sagdeo & Co.
Chartered Accountants
(Firm Registration No: 108959W)

Piyush

Partner: CA Piyush V Luthra
M.NO. 174863
UDIN: 25174863BMKSBE7004



Place: Pune
Date: June 19, 2025