PAWAN SHUBHAM & CO.
CHARTERED ACCOUNTANTS

601, Roots Tower
7, District Center
Laxmi Nagar, Delhi-110092
Pawan@pawanshubham.com
Tel 011-45108755

Certificate on Financial Indebtedness

Date: September 02, 2026

To:

The Board of Directors
Kanohar Electricals Limited
Rithani, Delhi Road
Meerut 250 103
Uttar Pradesh, India

Nuvama Wealth Management Limited
801 - 804, Wing A
Building No 3, Inspire BKC
G Block, Bandra Kurla Complex
Bandra East
Mumbai 400 051
Maharashtra, India

IIFL Capital Services Limited
(*formerly known as IIFL Securities Limited*)
24th Floor, One Lodha Place
Senapati Bapat Marg, Lower Parel (West)
Mumbai 400 013
Maharashtra, India

(Nuvama Wealth Management Limited and IIFL Capital Services Limited (*formerly known as IIFL Securities Limited*), the book running lead managers appointed in relation to the Offer are collectively referred to as the "**Book Running Lead Managers**" or the "**BRLMs**")

Re: **Proposed initial public offering of equity shares of face value of ₹ 2 each (the "Equity Shares") of Kanohar Electricals Limited (the "Company") and such offering, comprising of a fresh issue of the Equity Shares of the Company ("Fresh Issue") and an offer for sale of Equity Shares by certain existing shareholders of the Company (the "Offer for Sale", and together with the Fresh Issue, the "Offer")**

Re: **Certificate on Financial Indebtedness**

Dear Sir/Madams,

1. We, Pawan Shubham & Co., Chartered Accountants ("**Independent Chartered Accountant**" / "**ICA**"), have been informed that the Company has filed the draft red herring prospectus dated January 23, 2026 ("**DRHP**") with the Securities and Exchange Board of India ("**SEBI**"), BSE Limited and National Stock Exchange of India Limited (collectively, the "**Stock Exchanges**"), and proposes to file the red herring prospectus ("**RHP**") and the prospectus ("**Prospectus**") with the Registrar of Companies, Uttar Pradesh - II at Noida ("**RoC**") and subsequently with SEBI and Stock Exchanges, in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**ICDR Regulations**").

2. In terms of our engagement letter dated July 29, 2025 in relation to the Offer, we have received a request from the Company to provide certain confirmations in relation to the loans, advances and working capital facilities from banks/institutions and any other financial indebtedness of the Company as of July 31, 2026 (the "**Cut-off Date**").

PAWAN SHUBHAM & CO. * Chartered Accountants * FRN: 011573C DELHI

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Management Responsibility

3. The preparation of the Schedule of financial indebtedness including details of repayment / maturity, security provided, rate of interest, etc. (as per **Annexure – A, B, C & D**) is the responsibility of the management of the Company. The management is also responsible for the maintenance of proper books of accounts and such other relevant records as prescribed by applicable laws, which includes collecting, collating, and validating data and designing, implementing, and monitoring of internal controls relevant for the preparation of the Schedule of financial indebtedness.

4. The Management shall also be responsible for providing us the required information/documents as may be required by us for certifying the requirement as per paragraph 2 above.

Independent Chartered Accountant's Responsibility

5. We are responsible to certify the matters as stated in paragraph 2 above.

6. We conducted our examination of the Schedule as per **Annexures – A to D** in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("**ICAI**"). Further, for the purpose of this certificate, our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion.

7. We hereby confirm that while providing this certificate we have complied with the Code of Ethics issued by the ICAI andthe 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.

8. We have reviewed and verified: (a) the Restated Financial information of the Company for the financial years ended 2026, 2025 and 2024 (the "**Periods**"), prepared in accordance with the Companies Act, 2013, as amended and the rules framed there under, the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI and ICDR Regulations (the "**Restated Financial Information**").

9. We have also reviewed the following documents/information: (a) documents pertaining to the financial indebtedness of the Company, including, *inter alia*, sanction letters issued by the banks/ financial institutions, loan agreements, deeds of hypothecation, memoranda of deposit, other letters and correspondence between the lenders and the Company; (b) documents pertaining to balance confirmations received from relevant lenders verified on sample basis, for the purpose of issuing this certificate; (c) minutes of the meetings of the board of directors of the Company (the "**Board**") including any committee formed thereof, minutes of annual general meetings and extra-ordinary general meetings of the Company, minutes of the meetings of various committees of the Board, return of charge filed by the Company with RoC, relevant forms and documents filed with the relevant RoC, bank statements, relevant statutory registers, share transfer forms, and other relevant documents; and (d) the books of accounts as prepared and provided by the management of the Company.

Conclusion

10. Based on our verification as stated above and based on the written representations received from the management, we hereby certify that:

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i. the financial indebtedness information provided in **Annexure A** is true, fair, and correct. Further, we confirm that as on the Cut-off Date, except as stated in **Annexure A**, there are no other loans or facilities availed by the Company or any guarantee extended by the Company;

ii. the principal terms of the borrowings and assets charged as security by the Company are stated in **Annexure B** and **C**; and

iii. except as stated in **Annexure D**, there are no outstanding loans and advances taken by the Company from its Promoter, Directors, Key Managerial Personnel, Senior Management, members of the Promoter Group, and related parties.

11. Based on our verification as stated above and the information, explanations and written representation provided to us by the management of the Company, we also confirm that, as on Cut-Off Date, none of the banks or institutions from whom the Company 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 installment or interest due or for violation of any other terms of any of the outstanding loans/ debt facilities granted to the Company.

Restriction on use and other clauses:

12. We confirm that the information in this certificate, including any annexures hereto, is true, fair, correct, complete and accurate and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

13. This certificate is issued for the purpose of the Offer, and can be used, in full or part, for inclusion in the RHP, Prospectus and any other material used in connection with the Offer (together, the "**Offer Documents**") which may be filed by the Company with SEBI, the Stock Exchanges, RoC and / or any other regulatory or statutory authority.

14. We hereby consent to (i) inclusion of our name; and (ii) the extracts of this certificate being included in the Offer Documents and/or consent to 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 BRLMs in connection with the Offer and in accordance with applicable law.

15. This letter may be relied upon by the Company, the BRLMs, their affiliates and the legal advisors appointed by the Company and the BRLMs in relation to the Offer. We hereby consent to extracts of, or reference to, this letter being used in Offer Documents or to evidence due diligence process. We also consent to the disclosure of this letter by the BRLMs while seeking to establish a defence in connection with or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation. This certificate can also be uploaded on the repository portal of the Stock Exchanges as required pursuant to the SEBI circular dated December 5, 2024 and the subsequent requirements of the Stock Exchanges/ SEBI, as applicable.

16. We undertake to immediately communicate, in writing, any changes to the above information/confirmations, as and when: (i) made available to us; or (ii) we become aware of any such changes, to the BRLMs and the Company until the Equity Shares allotted in the Offer commence trading on the Stock Exchanges. In the absence of any such communication from us, the Company, the BRLMs and the legal advisors appointed with respect to Offer can assume that there is no change to the information/confirmations forming part of this certificate and accordingly, such information should be considered to be true and correct.

PAWAN SHUBHAM & CO. FRN : 011573C DELHI Chartered Accountants

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

Yours Sincerely,

For Pawan Shubham & Co.
Chartered Accountants
Firm Registration No.: 011573C

Prateek

CA Prateek Jain
Partner
Membership No.: **556482**
Peer Review Certificate No.: **019880**
UDIN: **26556482OYMNMB3242**

PAWAN SHUBHAM & CO. FRN: 011573C DELHI Chartered Accountants

Encl: As above

CC:

Legal Counsel to the Book Running Lead Managers

Talwar Thakore & Associates
3rd Floor, Kalpataru Heritage
127, M. G. Road
Fort, Mumbai 400 001
Maharashtra, India

Legal Counsel to the Company

Trilegal
One World Center
Tower 2A and 2B, 10th Floor
Senapati Bapat Road
Lower Parel (West)
Mumbai 400013
Maharashtra, India

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Annexure A

Schedule of Financial Indebtedness as on July 31, 2026

A. The following table sets forth the details of the outstanding borrowings of the Company as on July 31, 2026:

(in ₹ million)

Category of borrowing	Sanctioned amount as on July 31, 2026	Amount outstanding as on July 31, 2026
Secured borrowings		
Fund-based borrowings		
Term loans	158.30	152.80
Cash credit and overdraft/working capital demand loan	540.00	301.94
Vehicle Loan	12.07	4.31
Total of fund-based borrowings (A)	**710.37**	**459.05**
Non fund-based borrowings		
Bank guarantee / Letter of Credit	3,950.00	3,396.58
Total of non-fund-based borrowings (B)	**3,950.00**	**3,396.58**
Non-Convertible Debentures (C)	**0.00**	**0.00**
Total secured borrowings (A+B+C)	**4,660.37**	**3,855.63**
Unsecured borrowings		
Cash credit and overdraft/working capital demand loan	100.00	0.00
Letter of credit and bill discounting	0.00	0.00
Total unsecured Borrowings (D)	**100.00**	**0.00**
Total Borrowings (E) (E = A+B+C+D)	**4,760.37**	**3,855.63**

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B. The following table sets forth the details of the aggregate sanctioned and outstanding borrowings of the Company for the Financial Years ended March 31, 2026, March 31, 2025 and March 31, 2024:

(in ₹ million)

Name of lender	Date of sanction of loan/facility	Type of loan/facility	For Financial Year ended March 31, 2026				For Financial Year ended March 31, 2025			
			Opening balance as at April 1, 2025	Closing balance as at March 31, 2026	Amount repaid during the Financial Year ended March 31, 2026	New loan sanctioned during the Financial Year ended March 31, 2026	Opening balance as at April 1, 2024	Closing balance as at March 31, 2025	Amount repaid during the Financial Year ended March 31, 2025	New loan sanctioned during the Financial Year ended March 31, 2025
Axis Bank Limited	01-06-2024	Term loan	66.30	56.44	9.86	0.00	0.00	66.30	0.00	66.30
ICICI Bank Limited	16-07-2019	Vehicle loan	0.00	1.60	0.38	1.99	0.18	0.00	0.18	0.00
Bajaj Finance Limited	06-02-2026	Term loan	0.00	100.61	0.00	100.61	0.00	0.00	0.00	0.00
State Bank of India Limited	03-07-2024 22-05-2026	Vehicle loan	2.16	1.13	1.03	0.00	0.00	2.16	0.64	2.80
Yes Bank Limited	20-06-2022 15/07/2022 15/10/2022 28/10/2022 06/06/2023 09/08/2023 09/11/2023 29/01/2024 04/07/2024	Vehicle loan	6.08	2.00	4.09	0.01	10.94	6.08	4.86	0.00
ICICI Bank Limited	25/06/2025	Term Loan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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Name of lender	Date of sanction of loan/facility	Type of loan/facility	For Financial Year ended March 31, 2024			
			Opening balance as at April 1, 2023	Closing balance as at March 31, 2024	Amount repaid during the Financial Year ended March 31, 2024	New loan sanctioned during the Financial Year ended March 31, 2024
Axis Bank Limited	01-06-2024	Term loan	0.00	0.00	0.00	0.00
ICICI Bank Limited	16-07-2019	Vehicle loan	0.69	0.18	0.51	0.00
State Bank of India Limited	10-07-2024	Vehicle loan	0.14	0.00	0.14	0.00
Yes Bank Limited	20-06-2022 15/07/2022 15/10/2022 28/10/2022 06/06/2023 09/08/2023 09/11/2023 29/01/2024 04/07/2024	Vehicle loan	6.00	10.94	3.10	8.04
ICICI Bank Limited	25/06/2025	Term Loan	0.00	0.00	0.00	0.00

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Annexure B

Security Details of Financial Indebtedness as at July 31, 2026

Type of facility	Security Details			
	Name of Lender	Primary Security	Collateral Security	
			Immovable Property	Third Party Guarantees
Letter of credit, Bank guarantee, Cash credit and overdraft/working capital demand loan	1. Bajaj Finance Limited 2. Axis Bank Limited 3. HDFC Bank Limited 4. State Bank of India Limited 5. Yes Bank Limited	1. 1st charge by way of hypothecation over the entire present and future Current Assets, comprising: a) Inventory / stocks in trade, stores & spares, consumables, etc. at showrooms, offices, godowns, stocking yards, etc., including stock in transit and cash / credit balances in loan accounts; and b) All present and future Book Debts / Receivables. 2. 1st charge by way of hypothecation over present and future Movable Fixed Assets, including Plant & Machinery, excluding movable fixed assets / vehicles financed by other lenders, wherever applicable.	1. Mortgage over Industrial Property bearing MPL No. 1/1, Part of Khasra Nos. 177-M, 178-M and 164-M/164mi, situated at Village Achronda, Gagol Road, Near Power House, Shatabdi Nagar, Meerut, Uttar Pradesh 2. Mortgage over Industrial Property bearing MPL Nos. 21 & 21/1, Part of Khasra Nos. 96/3, 96/4, 156/6, 156/2, 96/2/95/2, 96/7 and 96/8, situated at Village Rithani, Near Ashoka Rice Mill, Delhi Road, Meerut, Uttar Pradesh 3. Mortgage over Residential Property bearing MPL No. 93 (Old No. 85), situated at Hari Nagar, Near Bhumia Ka Pul / Odion Cinema Road, Meerut, Uttar Pradesh 4. Mortgage over property admeasuring 5,040 sq. metres, bearing reference Khasra No. 178-M, situated at Paragana/Tehsil Meerut, District Meerut, Uttar Pradesh – 250103	1. Mr Dinesh Singhal 2. Mr Adesh Singhal 3. Mr Brijesh Singhal 4. Mr Vivek Singh 5. Mr Abhishek Singhal 6. Kanohar Lal HUF
Term Loan	1. Axis Bank Limited 2. Bajaj Finance Limited	1. 1st charge by way of hypothecation over the entire present and future Current Assets. 2. 1st charge by way of hypothecation over the entire present and future Movable Fixed Assets, excluding movable fixed assets/vehicles financed by other lenders. 3. Charge on machinery purchased/to be purchased out of Axis Bank Term Loan.	1. Mortgage over Industrial Property bearing MPL No. 1/1, Part of Khasra Nos. 177-M, 178-M and 164-M/164mi, situated at Village Achronda, Gagol Road, Near Power House, Shatabdi Nagar, Meerut, Uttar Pradesh 2. Mortgage over Industrial Property bearing MPL Nos. 21 & 21/1, Part of Khasra Nos. 96/3, 96/4, 156/6, 156/2, 96/2/95/2, 96/7 and 96/8, situated at Village Rithani, Near Ashoka Rice Mill, Delhi Road, Meerut, Uttar Pradesh	1. Mr Dinesh Singhal 2. Mr Adesh Singhal 3. Mr Brijesh Singhal 4. Mr Vivek Singh 5. Mr Abhishek Singhal 6. Kanohar Lal HUF

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Type of facility	Security Details			
	Name of Lender	Primary Security	Collateral Security	
			Immovable Property	Third Party Guarantees
		4. Charge on movable fixed assets funded out of BFL Term Loan located at Meerut Plant, Kanohar Electricals Limited, Village Achhronda, Gangol Road, Meerut – 250103.	3. Mortgage over Residential Property bearing MPL No. 93 (Old No. 85), situated at Hari Nagar, Near Bhumia Ka Pul / Odion Cinema Road, Meerut, Uttar Pradesh 4. Mortgage over property admeasuring 5,040 sq. metres, bearing reference Khasra No. 178-M, situated at Paragana/Tehsil Meerut, District Meerut, Uttar Pradesh – 250103	
Vehicle Loan	1. ICICI Bank Limited 2. State Bank of India Limited 3. Yes Bank Limited	Exclusive Charge on respective vehicle/crane	NA	NA

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Annexure C

Principal terms of the borrowings currently availed by the Company:

1. Interest: The term loans and working capital facilities availed by the Company, typically have floating rates of interest linked to a base rate as specified by respective lenders with a spread for the fund-based facilities and commission for non-fund based facilities, which are subject to mutual discussions between the relevant lenders and us. Whereas the vehicle and truck loans availed by the Company typically have fixed rates of interest.

2. Penal Interest: The facilities availed by the Company contain certain provisions prescribing penalties, over and above the prescribed interest rates, for non-compliance of certain obligations by the Company, including delayed payment or default in repayment obligations. The additional interest is charged as per the terms of our loan agreements and sanction letters and is typically from 2% to 4% per annum.

3. Tenor: The tenor of the working capital facilities availed by the Company typically ranges for a period of 12 months and is subject to annual review and renewal by the relevant lender, whereas the term loan facilities availed by the Company typically range between 1 year to 7 years.

4. Security: The borrowings availed by us are secured by, inter alia, the following:

(a) pari passu charge and hypothecation of moveable and immovable assets (present and future),

(b) mortgage on certain immovable properties (present and future); and

(c) personal guarantees provided by Promoters of the Company.

There may be additional requirements for creation of security under the various borrowing arrangements entered into by company.

5. Re-payment: The working capital facilities availed by company are typically repayable on demand or on their respective due dates within the maximum tenure. The term loans availed by company are typically repayable in structured instalments, as per the repayment schedule stipulated in the relevant loan documentation.

6. Pre-payment: Our working capital borrowing and term loan arrangements typically have pre-payment provisions which allow for prepayment of the outstanding amount, subject to the conditions specified in the borrowing arrangements and in certain cases stipulate pre-payment charges and/ or pre-payment penalties of up to 4% of the principal amount being prepaid or the sanction amount.

7. Restrictive Covenants: Certain of our borrowing arrangements provide for covenants restricting certain corporate actions, and we are required to take the prior approval of the lender before carrying out such activities. For instance, certain corporate actions for which we require the prior written consent from the relevant lender include:

- effecting any change in ownership, control, management and constitution of the Company;
- effecting any changes to the capital structure or shareholding pattern;
- entering into any merger, de-merger, amalgamation, reorganisation or consolidation or formulating any scheme of reconstruction, arrangement or compromise with the creditors;
- making any amendment to the constitutional documents;
- diversification, modernisation or substantial expansion of any of its existing business, operations or project;
- undertake any new project, implement any scheme of expansion or invest in any other entity or change the general nature of business;
- declaring or paying dividend; or

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- dispose of the majority of our properties and assets.

8. Events of Default: The borrowing arrangements entered into by the Company with the lenders contain certain instances, occurrence of which may result into 'event of default', including:

- failure or delay in making payment/repayment of any principal amount or interest on the relevant due dates;
- failure to observe or comply with the terms and conditions, breach of ownership, management, financial or other covenants, breach of representations and warranties under the borrowing arrangements;
- utilisation of the facilities or any part thereof for purposes other than as sanctioned by the lender;
- change in ownership, management or control of the Company without prior consent of the lender;
- any notice or action in relation to actual or threatened liquidation or dissolution or bankruptcy or insolvency against the Company;
- any change or threat to change the general nature or scope of the business of the Company;
- change in constitutional documents without prior consent of the lender, which is prejudicial to the interests of the lender;
- failure to create security within the specified time period under the borrowing arrangements;
- breach or default under any other agreement involving borrowing of money by the Company; and
- any circumstance or event which would or is likely to prejudicially or have a material adverse effect in any manner the capacity of the Company to repay any loans or any part thereof.

This is an indicative list and there may be additional instances that may amount to an event of default under the various borrowing arrangements entered into by the Company.

9. Consequences of events of default: In terms of our borrowing arrangements, as a consequence of occurrence of events of default, our lenders may:

- demand immediate repayment and withdraw/cancel the undrawn facility suspend further access/drawdowns, either in whole or in part, of the facility;
- impose penal interest;
- invoke the personal guarantees;
- enforce their security interest; and
- disclose details of borrowings and default to regulators/third parties.

The above is an indicative list and there may be additional consequences of an event of default under the various borrowing arrangements entered into by the Company.

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Annexure D

Details of the loans and advances taken by the Company from the Promoters/ Directors/KMP/SM/Promoter Group/related parties.

S.No.	Name of Lender	Relation with Company	Amount outstanding as on March 31, 2026 (in ₹ million)
NIL			

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