

MEHTA SINGHVI & ASSOCIATES, Chartered Accountants

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To,
**The Board of Directors,
Sakuma Exports Limited**
Aurus Chambers A, 301,
Near Mahindra Towers
S.S. Amrutwar Lane,
Worli-Mumbai
MH 400013

AND

Lead manager
First Overseas Capital Limited
Bhupen Chambers, Dalal Street, Fountain
Mumbai-400001, Maharashtra India

(We First Overseas Capital Limited being appointed in relation to the Issue hereinafter referred to as the “Lead Manager” or the “LM”)

Sub: Certificate for working capital requirement of Sakuma Exports Limited(the “Issuer Company”)

Ref: Right issue of Sakuma Exports Limited (the “Issuer Company”)

We, M/s. Mehta Singhvi& Associates, Chartered Accountant capacity of Issuer Company, have been requested by the Issuer Company to certify the proposed working capital requirement to the extent of Rs. 19,200 lakhs for the fiscal year 2023-24, which will be funded from the Net Proceeds of the RIGHT ISSUE.

We have examined and verified the

- Standalone Audited financial statements for Fiscal Years March 31, 2023, 2022 and 2021 of the Issuer Company;
- The Projections/ CMA certified by the management for the Fiscal Year 2023-2024 on Standalone basis; and
- Other relevant records of the Issuer Company as submitted to us.

Based on our examination, as we considered necessary and according to the documents, information and explanations given to us, we hereby certify that as on the date of this certificate the details of Issuer Company’s working capital as at March 31, 2021, 2022 and 2023 and estimated Fiscals for 2024 and source of funding of the same based on a standalone financial basis are stated below:

(Rs. In Lakhs)

Particulars	31-03-21	No. of Days	31-03-22	No. of Days	31-03-23	No. of Days
	Audited		Audited		Audited	
<i>Current Assets</i>						
Inventories	4,649.44	16.00	8,132.06	10.00	11,188.31	14.00
Trade Receivables	10,337.31	151.00	29,197.16	29.00	15,073.66	28.00

Particulars	31-03-21	No. of Days	31-03-22	No. of Days	31-03-23	No. of Days
	Audited		Audited		Audited	
Short Term Loans & Advances and Deposits	20.63		92.92		651.23	
Cash & Bank Balances	501.32		860.06		2,080.54	
Other Current Assets	10,286.67		10,795.79		8,053.83	
Total Current Assets (A)	25,795.37		49,077.99		37,047.57	
Current Liabilities)						
Sundry Creditors	2,223.53	131.00	5,808.60	6.00	4065.69	7.00
Other Current Liabilities	2,815.74		12,106.06	-	6377.83	
Total Current Liabilities (B) (Excluding Borrowings)	5,039.27		17,914.66	-	10,443.52	
Working Capital Gap (A-B) (Excluding Borrowings)	20,756.10		31,163.33	-	26,604.05	
Funded through borrowings secured(1)	206.79		6,911.14		1497.58	
Funded through borrowings related parties	-		1,416.86		-	
Funded through internal accruals	20,549.31		22,835.33		25,106.47	
Proposed Working Capital to be funded from right issue	-		-		-	

(1)The sanction working capital facilities of Issuer Company is 10,400 lakh as on March 31, 2023 and the outstanding balances from banks was Rs. 206.79 lakhs, Rs. 6911.14 lakhs and Rs. 1497.58 lakhs for the year ended March 31, 2021, 2022 and 2023 respectively.

Note1: Current Maturities represent portions of Long-Term Loans that are payable in the next 12 months and are required to be carved out of the Long-Term Borrowings only for the purposes of Presentation of Financial Statements, in accordance with Schedule III to the Companies Act, 2013. Hence, they are by nature Long-Term Borrowings and cannot be considered as part of Working Capital requirement

Note2: No. of Days calculated based on average inventory, average debtors and average accounts payable

Note3: We have considered cash and bank balance to arrive working capital gap

On the basis of the existing working capital requirements of the Issuer Company and the incremental and proposed working capital requirements, the details of IssuerCompany's expected working capital requirements for Fiscal 2024, as approved by the right issue committee pursuant to a resolution dated February 23, 2023, and funding the same are provided in the table below:

(Rs. In Lakhs)

Particulars	31-Mar-24	No. of Days(*)
	Estimated	
Current Assets		
Inventories	11,628.85	13
TradeReceivables	41,500.00	40
Short Term Loans & Advancesand Deposits	126.77	
Cash&Bank Balances(**)	680.00	
OtherCurrentAssets	10,080.00	
TotalCurrentAssets(A)	64,015.62	
CurrentLiabilities		
SundryCreditors	5,500.00	6
OtherCurrentLiabilities	7,070.00	
TotalCurrentLiabilities(B) (Excluding Borrowings)	12,570.00	
WorkingCapitalGap(A-B) (Excluding Borrowings)	51,445.62	
Funded through borrowings (secured and unsecured)	7296.49	
Funded through internal accruals	24,949.13	
Proposed Working Capital to be funded from rights issue	19200.00	

(*)The Number of Days calculated on the basis of

i)Stock Holding Level -: Closing Stock / Cost of Goods Sold

ii)Debtors Holding Level-: Closing Debtors / Net Sales

iii)Creditors Holding Period -: Closing Accounts Payable/ Net Purchase

(**) We have considered cash and bank balance for calculating working capital gap

The working capital requirement made by the Company are based on certain key assumptions, as set out below:

Sr. No.	Particulars	Assumptions
Current Assets		
1	Revenues	Based on the Audited Standalone Financials and estimated Audited Standalone Financials, the revenue from operations of the Company is expected to increase by nearly Rs. 1,000 Crores i.e. by approximately 33% in Fiscal 2024 as compared to 12.81 % Fiscal 2023. The Company is in trading business of agro commodities, especially sugar and these commodities are exported world-wide via a transportation combination of FOB (Free on Board), containers/ break bulk/ bulk vessel and C I F (Cost, Insurance and Freight) depending on the location of the buyer. The Company anticipates to maintain the last 2 years volume of goods sold (approximately 7.50 Lakhs Metric Tones) in Fiscal 2024 and it projects its revenue from operations to increase mainly due to increase in sugar prices and other agro commodities prices. Besides the above, the also intends to optimize its operations on larger scale by selling additional agro commodities such as edible oil as and when the opportunities arises and where there is a slack season for sugar.

Sr. No.	Particulars	Assumptions
2	Inventories	The Company has maintained inventory days of 10 days in the Fiscal 2022 and 14 days in the Fiscal 2023. It anticipated to maintain its inventory levels in line its historical figure which is around 2 weeks level and projected inventory level at 13 days for the Fiscal 2024.
3	Trade receivables	The Company has maintained its trade receivable days of 29 days in the Fiscal 2022 and 28 days in the Fiscal 2023. The Company anticipate an increase in its trade receivables because of alternation in its business strategy of exporting goods via a transportation combination of FOB (Free on Board), in containers/ break bulk/ bulk vessel and C I F (Cost, Insurance and Freight) depending on the location of the buyer, projected trade receivable days on an average to be 40 days for the Fiscal 2024.
Current Liabilities		
4	Trade payables	The Company has maintained its trade payable days of 6 days in Fiscal 2022 and 7 days in Fiscal 2023. It has anticipated to maintain the trade payable days by continuing to follows its purchase policy of efficiency payment and projected to be 6 days for the Fiscal 2024.
5	Other current liabilities	Other Current Liabilities includes Provision for Employee Benefit, Advance from Customers, statutory dues to Government, Unclaimed Dividend and Lease Liability, Other Provisions etc.

As on 31.03.2023, the Issuer Company has total sanctioned limit of working capital facilities of Rs. 10,400 Lakhs. Accordingly, there are no fund requirements towards capital expenditure and hence Regulation 7(1)(e) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 is not applicable. We confirm that the computation of the working capital of the Company for the past three financial years is in compliance with the applicable provisions of the Accounting Standards and such other laws.

We confirm that the information above is true, fair, correct, accurate, not misleading and without omission of any matter that is likely to mislead, and adequate to enable investors to make a well-informed decision. All capitalized terms not defined in this certificate shall have the same meaning as defined in the Offer Documents.

This certificate is issued for the sole purpose of the Offer and this certificate or any extracts or annexures thereof, can be used, in full or part, for inclusion in the Offer Document (Draft Letter of Offer and/or Letter of Offer) and any other material used in connection with the Offer (right issue), 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 LM in connection with the Offer (right issue) and in accordance with applicable law, and for the purpose of any defense the LM may wish to advance in any claim or proceeding in connection with the contents of the Offer Documents. Any change in the information made available to us by the Issuer Company which forms substantial basis of our verification, subsequent to the issuance of this certificate has not been considered.

We hereby consent to the aforementioned details being included in the Offer Documents and submission of this certificate as may be necessary to any regulatory authority and/ for the records to be maintained by the LM in connection with the right issue and in accordance with the applicable law. However, any change in the information made available to us by the Issuer Company which forms substantial basis of our verification, subsequent to the issuance of this certificate has not been considered.

This certificate may be relied on by the Issuer Company, the Lead Manager and Legal Counsel appointed in relation to the Offer (right issue).

We undertake to update you in writing of any changes in the abovementioned position, until the date the Equity Shares issued pursuant to the Offer (right 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.

Yours faithfully,

For Mehta Singhvi&Associates
Chartered Accountants
Firm Registration No. 122217W

Seema Bhatia
Partner
Membership no. 169694
UDIN:23169694BGXCHT6098

Date: July 27, 2023
Place: Mumbai