



SINGHAL & SEWAK

Chartered Accountants

311-312, 2nd Floor, Eskay Plaza, Near Anand Talkies, Raipur, Chhattisgarh-492001

E-mail: singhalsewak@gmail.com

Tel: 0771-4056501

1. CERTIFICATE ON OBJECTS OF THE ISSUE

To,

The Board of Directors

Jinkushal Industries Limited

H. No. 260, Ward No. 42, Opp. C. M. House Near Chhattisgarh Club,
Civil Lines, Raipur, Chhattisgarh, India, 492001

And

GYR Capital Advisors Private Limited

(Formerly known as Alpha Numero Services Private Limited)

428, Gala Empire, Near JB Tower,

Drive in Road, Thaltej,

Ahemdabad-380 054,

Gujarat, India.

(Referred to as “**Book Running Lead Manager**”/“**BRLM**”)

Dear Sirs,

Re: Proposed public issue of equity shares of face value of Rs. 10/- each (the “Equity Shares”) of Jinkushal Industries Limited (the “Company”) (the “Issue”)

Sub: Certificate on Objects of the Issue

We, **M/s. Singhal & Sewak**, Statutory Auditors of the Company, have been engaged to certify the Objects of the Issue of the Company.

This certificate is being issued in the context of the Issue with respect to the ‘*Objects of the Issue*’ chapter to be included in the Updated Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus to be filed by the Company in relation to the Issue with Securities and Exchange Board of India and Registrar of Companies, Chhattisgarh (“**ROC**”).

Accordingly, we have obtained and verified the following documents:

- (a) Working Capital Financial Statements





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- (b) Obtained the working for the existing working capital requirements prepared by the Company for March 31, 2025, March 31, 2024, March 31, 2023, based on the Working Capital Financial Statements.
- (c) Obtained the Board Resolutions approving the business plan and financial projections of the Company for the financial years March 31, 2026 and March 31, 2027
1. Based on the above procedures, information and explanations provided by the management of the Company, we confirm that as of March 31, 2025, the Company's existing working capital and funding requirements compiled on the basis of Working Capital Financial Statements for the financial years ended March 31, 2025, March 31, 2024, March 31, 2023 are as follows:

(Rs in. Lakh)			
Particulars	Fiscal 2023 (Restated)	Fiscal 2024 (Restated)	Fiscal 2025 (Restated)
Current Assets			
Inventories	1,218.76	609.13	1,090.53
Stores and Spare Parts	347.33	425.10	513.46
Work in Progress	871.43	184.03	577.07
Trade Receivables	55.72	5,992.93	8,869.95
Other financial assets	131.32	272.04	279.26
Other Current Assets	412.02	327.52	374.61
Current tax Assets (Net)	51.74	58.79	61.93
Total Current Assets (A)	1,869.56	7,260.41	10,676.28
Current Liabilities			
Lease Liabilities	5.5	9.95	10.04
Trade payables	275.13	1,352.55	2,405.97





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Other financial liabilities	17.41	25.58	29.52
Other current liabilities	522.44	403.84	466.11
Provisions	0.1	0.19	10.60
Current tax liabilities (net)	-	-	-
Total Current Liabilities (B)	820.58	1,792.11	2,922.24
Total Working Capital Requirement (A-B)	1,048.98	5,468.30	7,754.04
Sources of Finance			
Borrowings for working capital requirements	1,048.98	4,570.48	5,426.63
Total Equity/ Internal Accruals	-	897.82	2,327.41
Proceeds from the Offer	-	-	-
Total Sources of Finance	1,048.98	5,468.30	7,754.04

Note -The financial figures reflect the standalone figures

2. On the basis of Company's existing working capital requirements and the projected, capital requirements, the Board of Directors of the Company pursuant to their resolution dated August 29, 2025 have approved the business plan and financial projections for the financial years ending March 31, 2026 and March 31, 2027 and the projected working capital requirements for the respective periods and the proposed funding patterns for those years.

The following data has been extracted from the minutes of the board meeting dated August 29, 2025:

(Rs in. Lakh)

Particulars	Fiscal 2026 (Estimated)	Fiscal 2027 (Estimated)
Current Assets		
Inventories	3,406.24	4,513.27





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Trade Receivables	15,147.67	18,473.06
Other financial assets	442.32	953.16
Other Current Assets	588.67	866.02
Current tax Assets (Net)	193.73	451.75
Total Current Assets (A)	19,778.63	25,257.27
Current Liabilities		
Lease Liabilities	7.32	2.54
Trade payables	3,512.93	3,329.89
Other financial liabilities	55.81	55.81
Other current liabilities	621.64	716.3
Provisions	11.46	11.46
Current tax liabilities (net)	-	-
Total Current Liabilities (B)	4209.16	4115.99
Total Working Capital Requirement (A-B)	15,569.47	21,141.27
Sources of Finance		
Borrowings for working capital requirements	2,600.71	3,516.22
Total Equity/ Internal Accruals	8,201.26	15,125.05
Proceeds from the Offer	4,767.50	2,500.00
Total Sources of Finance	15,569.47	21,141.27

Rationale for increase in working capital:

The increase in working capital is primarily driven by the Company's strategic expansion into international markets and the rollout of its branded HexL product line. Longer credit terms to support distributor onboarding, higher inventory to ensure timely fulfillment, and limited supplier credit have collectively led to higher deployment of funds in receivables and stock. This planned increase aligns with the Company's growth strategy and is supported through internal accruals, borrowings, and IPO proceeds.

3. The table below presents our working capital requirement and its funding pattern for the indicated years:

Existing Working Capital





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Particulars	Fiscal 2023	% of Gross worki ng capita l	Fiscal 2024	% of Gross worki ng capita l	Fiscal 2025	% of Gross worki ng capita l
Gross working capital Total Current Assets (A)	1,869.56	100.00 %	7,260.41	100.00 %	10,676.28	100.00 %
Total Current Liabilities (B)	820.58		1,792.11		2,922.24	
Net Working Capital Requirement (A-B)	1,048.98	56.11 %	5,468.30	75.32 %	7,754.04	72.63 %
Sources of Finance						
Borrowings for working capital requirements	1,048.98	56.11 %	4,570.48	62.95 %	5,426.63	50.83 %
Total Equity/ Internal Accruals	-	0.00%	897.82	12.37 %	2,327.41	21.80 %
Proceeds from the Offer	-	0.00%	-	0.00%	-	0.00%
Total Sources of Finance	1,048.98	56.11 %	5,468.30	75.32 %	7,754.04	72.63 %

Projected Working Capital Requirement

Particulars	Fiscal 2026	% of Gross working capital	Fiscal 2027	% of Gross working capital
Gross working capital Total Current Assets (A)	19,778.63	100.00%	25,257.27	100.00%
Total Current Liabilities (B)	4,209.16	-	4,115.99	-
Net Working Capital Requirement (A-B)	15,569.47	78.72%	21,141.27	83.70%
Sources of Finance				
Borrowings for working capital requirements	2,600.71	13.15%	3,516.22	13.92%
Total Equity/ Internal Accruals	8,201.26	41.47%	15,125.05	59.88%





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Proceeds from the Offer	4,767.50	24.10%	2,500.00	9.90%
Total Sources of Finance	15,569.47	78.72%	21,141.27	83.70%

4. The table below contains the details of the holding levels (in number of days or relevant matrix as applicable) considered and is derived from the Working Capital Financial Statements for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023 and assumptions based on which the working plan projections has been made and approved by the Board of Directors:

Particulars	Fiscal 2023 (Restated)	Fiscal 2024 (Restated)	Fiscal 2025 (Restated)	Fiscal 2026 (Estimated)	Fiscal 2027 (Estimated)
Current Assets					
Trade receivables	1	46	128	131	142
Inventory	20	17	18	30	40
Current liabilities					
Trade payables	8	15	37	35	32
Working capital days	13	48	109	126	150

Note -The financial figures reflect the standalone figures

5. The working capital projections made by the Company on the basis of the Working Capital Financial Statements pursuant to the resolutions mentioned above are based on the following key assumptions:

S. No.	Particulars	Assumptions
1	Trade Receivables	The Company's trade receivables days have increased significantly, reaching 128 days in Fiscal 2025, compared to 46 days in Fiscal 2024 and 1 day in Fiscal 2023. Projections indicate a further rise to 131 days in Fiscal 2026 and 142 days in Fiscal 2027. This trend primarily reflects the Company's strategic shift in export sales terms and the expansion of its branded operations under the HexL product line.





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		To support sales growth in new geographies and strengthen its distribution network, the Company has revised its payment terms to allow dispatches against documents or deferred collection, moving away from its previous practice of requiring advance payments. These updated terms aim to facilitate higher transaction volumes by providing greater flexibility to buyers and channel partners in international markets, particularly in North and South America. This shift towards credit-based sales is designed to foster long-term B2B relationships and enhance profit margins by reducing reliance on advance payments, which often necessitated cash discounts. The increase in trade receivable is a result of company's strategic shift towards credit based sales in north and south American markets. The move aimed at to strengthen long term B2B relationships and improve profit margins by reducing dependence on advance-based payments that required cash discounts. Importantly while accounting standards record trade receivable from invoice date which is the dispatch post invoice date in our case of exports, especially to latin America countries with high shipment time The rollout of the HexL brand has further necessitated longer credit terms during the initial phase of distributor onboarding to support product placement and market penetration. The projected increase in receivables accounts for both the anticipated sales growth under the HexL brand and the structured credit support provided to authorized partners. This increase in trade receivables aligns with the Company's broader working capital strategy, which leverages internal accruals, bank facilities, and proceeds from the Offer to support export receivables. This approach enhances competitiveness while maintaining a prudent approach to credit risk management.
2	Inventory	Inventory days decreased from 20 days in Fiscal 2023 to 17 days in Fiscal 2024 and 18 days in Fiscal 2025, driven by the liquidation of prior stock and improved inventory turnover. However, projections indicate an increase to 30 days in Fiscal 2026 and 40 days in Fiscal 2027.





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		This anticipated rise aligns with the Company's growth strategy, which emphasizes scaling branded product sales under the HexL label and expanding its international distribution network. As the Company shifts from opportunistic trading to a structured, supply-led model, higher inventory levels are essential to ensure timely order fulfillment, reduce lead times, and maintain responsiveness across diverse global markets. The increase in inventory days also reflects the need to pre-provision equipment for newly onboarded distributors and ensure product availability in key export markets. Maintaining adequate stock of both refurbished and new machines supports business continuity and operational efficiency, particularly given extended procurement cycles and overseas logistics lead times. The projected inventory buildup is a deliberate part of the Company's business expansion plan and is supported by its financial resources, including internal accruals, institutional borrowings, and a portion of the Net Proceeds from the Offer. This inventory holding strategy is designed to support scalability, mitigate supply chain risks, and enhance the Company's ability to serve customers efficiently.
3	Trade Payables	Trade payable days increased from 8 days in Fiscal 2023 to 15 days in Fiscal 2024 and 37 days in Fiscal 2025. Projections indicate a slight decrease to 35 days in Fiscal 2026 and 32 days in Fiscal 2027. The rise in trade payables value corresponds with increased procurement of new and refurbished construction equipment, driven by the expansion of the HexL brand and growing order volumes. As of March 31, 2025, trade payable turnover days stood at 37 days and are expected to maintain a short-credit profile in the coming years. The Company continues to procure primarily on advance terms or with limited credit, aligning with its strategy to secure favourable pricing and foster strong supplier relationships. While the absolute value of trade payables is rising in line with operational scale, the limited credit window restricts suppliers' contribution to working capital support. Consequently, overall working capital requirements are expected to increase significantly, particularly





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		as inventory and receivable turnover days extend due to the dynamics of export sales and the onboarding of new international distributors. This strategic approach reflects the Company's decision to leverage internal resources, bank lines, and proceeds from the IPO to finance growth while maintaining control over the supply chain and preserving negotiating leverage with suppliers.
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We have conducted our examination of the information given in this certificate (including the annexures thereto) in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India ("ICAI"), as revised from time to time, to obtain a reasonable assurance that such details are in agreement with the books of accounts and other relevant records provided to us, in all material respects; the aforesaid Guidance Note requires that we comply with the ethical requirements of the 'Code of Ethics' issued by the ICAI, as revised from time to time. Further, we have 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', as revised from time to time.

This certificate may be relied upon by the Company, BRLM and Legal Counsel appointed in relation to the Issue. This certificate is for information and for inclusion in the Updated Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, the Preliminary International Wrap/Issuing Memorandum, the Abridged Prospectus and any other addendum thereto of the Company to be submitted/filed with the Securities and Exchange Board of India ("SEBI"), the Registrar of Companies, Bilaspur at Chhattisgarh ("ROC") and the stock exchanges, or any other material (including in any corporate advertisement or investor presentation made by or on behalf of the Company) to be issued in relation to the Issue (together referred as "Issue Documents") prepared in connection with the Issue or any other document to be issued or filed in relation to the 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 BRLM in connection with the Issue, 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 this certificate.

We confirm that any changes to the above that come to our attention will immediately be intimated to the BRLM and the Legal Counsel to the Issue in writing till the date the Equity Shares of the Company commences trading on the stock exchanges. In the absence of any communication from us, you may assume that there is no change in respect of the matters covered in this certificate.





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We hereby indemnify and keep indemnified, saved, defended and harmless the BRLM and Legal Counsel to the proposed Issue of the Company and all persons claiming under them ("Indemnified Persons"), from and against all losses and/or damages arising as a result of the aforementioned representations made by us in order to disclose details of the same in the Issue Documents including the Updated Draft Red Herring Prospectus, Red Herring Prospectus, the Prospectus, the Preliminary International Wrap/Issuing Memorandum, the Abridged Prospectus, etc., for the Issue or arising as a result of any notices, proceedings, litigations, claims, penalties, demands and costs that may be made and/or raised on the Indemnified Persons by any third parties and/or with regard to any matter arising in connection thereto or otherwise by reason of the matter contemplated herein and/or sustained by the BRLM and/or Legal Counsel to the Issue as a result of any statements, representations, assurances, confirmations hereinunder given being untrue.

All capitalized terms not defined hereinabove shall have the same meaning as defined in the Issue Documents.

Sincerely,

For **M/s. Singhal & Sewak**

Chartered Accountants

(Registration No. **011501C**)

R.K. PRADHAN

Partner

Membership No. **420169**

Place: **RAIPUR**

Date: **September 1, 2025**

UDIN: **/1 25420169 BMKTET1787**



CC:

Legal Counsel to the Issue

Vidhigya Associates

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Ghatkopar East, Mumbai – 400 075

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