



# SHEIKH ABDULLAH & CO.,

## CHARTERED ACCOUNTANTS

CHURCH BUILDING, KODIALBAIL, MANGALURU - 575 003.  
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### WORKING CAPITAL REQUIREMENT CERTIFICATE

To

**Shah & Taparia**

203, Center point Building, 100  
Dr. Babasaheb Ambedkar Road  
Opp. Bharatmata Theater, Lalbaug  
Parel, Mumbai - 400012

And

**Fedex Securities Private Limited**

B 7, 3rd Floor, Jay Chambers,  
Dayaldas Road, Vile Parle (East),  
Mumbai - 400 057, Maharashtra, India

Referred as “**Book running Lead Manager**” or “**BRLM**”.

Dear Sirs,

**Re: Proposed initial public issuing of equity shares of face value of Rs. 1 each (the “Equity Shares”) of Mukka Proteins Limited (the “Issue”)**

**Sub: Certificate on working capital requirement of Ento Proteins Private Limited (the “Company”)**

We, **Sheikh Abdulah & Co., Chartered Accountants**, Independent Chartered Accountants and Statutory Auditors of the Company, have been requested by company to certify the working capital requirement for the financial years 2020-2021, 2021-2022, 2022-2023 & six month ended on 30 September 2023.

In this regard, based on our examination of the relevant forms and documents filed with the relevant Registrar of Companies, relevant statutory registers, books of accounts, we certify that the information contained in **Annexure 1** "Details of working capital requirement " for the period mentioned above.

We 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, Statutory Auditors of Mukka Proteins Limited, BRLM and Legal Counsel appointed in relation to the Issue. This certificate is for information and for inclusion in the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, the Preliminary International Wrap/Issuing Memorandum, the Abridged Prospectus and any other addendum thereto of Mukka Proteins Limited to be submitted/filed with the Securities and Exchange Board of India ("SEBI"), the Registrar of Companies, Bangalore (ROC) and the stock exchanges, or any other material (including in any corporate advertisement or investor presentation made by or on behalf of Mukka Proteins Limited) 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.

We confirm that any changes to the above that come to our attention will immediately be intimated to the Statutory Auditors of Mukka Proteins Limited, the BRLM and the Legal Counsel to the Issue in writing till the date the Equity Shares of Mukka Proteins Limited 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.

We hereby indemnify and keep indemnified, saved, defended and harmless the BRLM and Legal Counsel to the proposed Issue of Mukka Proteins Limited 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 Offer Documents including the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Preliminary International Wrap/Offering 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 Offer Documents.

Yours sincerely,

For **Sheikh Abdullah & Co.,**  
Chartered Accountants  
Registration No. 011523S

Abid Ali  
Partner  
Membership No. 217293  
Place: Mangaluru  
Date: 18-12-2023  
UDIN: 24217293BKCMVD9714



CC:

**Legal Counsel to the Issue**

**Messrs. Kanga and Company, Advocates and Solicitors**  
Readymoney Mansion,  
43, Veer Nariman Road,  
Fort, Mumbai - 400 001.

ANNEXURE-1: "Details of working capital requirement of Ento Proteins Private Limited is as follows:

( in million)

Particulars	September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<i>Current assets</i>				
Trade receivables	0.15	0.40	-	-
Inventories	26.86	8.98	0.01	-
Other Current Assets including other financial assets (excluding cash and cash equivalents and loans)	9.05	7.07	4.89	-
<b>Total Current Assets (A)</b>	<b>36.07</b>	<b>16.45</b>	<b>4.90</b>	<b>-</b>
<i>Current liabilities</i>				
Trade payables	12.95	11.33	3.92	-
Other Current Liabilities and Provisions (excluding current lease liabilities)	45.47	30.04	13.59	0.02
<b>Total Current Liabilities (B)</b>	<b>58.42</b>	<b>41.37</b>	<b>17.51</b>	<b>-</b>
<b>Net working capital (A – B)</b>	<b>(22.35)</b>	<b>(24.92)</b>	<b>(12.61)</b>	<b>(0.02)</b>
Sources of funds				
Borrowings	NA	NA	NA	NA
Internal accruals / Equity	NA	NA	NA	NA
<b>Total Means of Finance</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

Expected working capital requirements:

(in million)

Particulars	Fiscal 2025 (Projected)	Fiscal 2024 (Estimated)
<i>Current Assets</i>		
Trade receivables	60.46	9.86
Inventories	59.11	10.08
Other Current Assets including other financial assets (excluding cash and cash equivalents and loans)	1.34	0.22
<b>Total Current Assets (A)</b>	<b>120.91</b>	<b>20.16</b>
<i>Current Liabilities</i>		
Trade payables	9.40	1.53
Other Current Liabilities and Provisions (excluding current lease liabilities)	2.69	0.44
<b>Total Current Liabilities (B)</b>	<b>12.09</b>	<b>1.97</b>
<b>Net working capital (A – B)</b>	<b>108.82</b>	<b>18.19</b>
Sources of funds		
Internal accruals / Equity	27.01	-
Borrowing	-	-
Issue Proceeds	81.81	18.19
<b>Total Means of Finance</b>	<b>108.82</b>	<b>18.19</b>



The table below sets forth the details of holding levels (in days) for Fiscal 2023, Fiscal 2022 and Fiscal 2021 as well as estimated holding levels (in days) for Fiscal 2024 and Fiscal 2025:

Days	March 31, 2025 (Projected)	March 31, 2024 (estimated)	September 30, 2023 (actual)	March 31, 2023 (actual)	March 31, 2022 (actual)	March 31, 2021* (actual)
Trade receivables	45	45	2	3	-	-
Inventories	44	46	284	69	-	-
Other Current Assets including other financial assets (excluding cash and cash equivalents and loans)	1	1	96	55	142	-
Trade payables	7	7	137	88	113	-
Other Current Liabilities and Provisions (excluding current lease liabilities)	2	2	480	232	393	-

*\*EPPL was incorporated on March 8, 2021 and hence Fiscal 2021 is the first year of incorporation*

*Notes:*

*1. Holding period (in days) is calculated as respective current asset or current liability divided by revenue from operations multiplied by number of days (see note 2 below). Estimated holding days for Fiscals 2024 and 2025 have been rounded to the nearest number.*

*2. The holding period has been computed over 365 days for each fiscal year and 180 days for the six months period ended September 30, 2023.*

**Key assumptions for working capital projections**

The table below sets forth the key assumptions for working capital projections:

Particulars	Justification*
Trade receivables	The holding levels of trade receivables were at NIL days in Fiscal 2022 and 3 days in Fiscal 2023 since, EPPL sells its product to our Company against advance. However, going forward the expected credit term is estimated at 45 days in Fiscal 2024 and Fiscal 2025 which would be in-line with normal credit days that our Company enjoys from its other vendors.
Inventories	EPPL had maintained inventory holding period of NIL days in Fiscal 2021 and Fiscal 2022 and 69 days in March 31, 2023 and for the six months period ended September 30, 2023 is 284 days. In September 30, 2023, high activity period resulted in higher inventory levels which may regularise by year end. It is expected that the holding level to stay around 45 days for Fiscal 2024 and Fiscal 2025.
Trade payables	EPPL had maintained holding level of trade payables at 113 days in Fiscal 2022 and 88 days in March 31, 2023 and for the six months period ended it was 137 days. We expect to rationalise our trade payable days to 7 days for Fiscal 2024 and Fiscal 2025. A significant portion of the trade payables will be amount payable to our Company towards processing charges and to HEPL, towards purchase of BSF eggs.

*\*We have not considered holding period calculation for Fiscal 2021 since EPPL was incorporated only during March 8, 2021*

