

Certificate No. 2025/576

To,

JAWA CAPITAL SERVICES PRIVATE LIMITED

Plot No. 93, F/F, Pocket 2,

Near DAV School, Jasola

Delhi – 110025

Sub: Certificate regarding Working Capital requirements

The undersigned, in the capacity of the Statutory Auditors of M/s Riddhi Display Equipments Limited, a Company incorporated under the provisions of the Companies Act, 2013 and presently having its registered office at Plot No.1, Survey No.2/1 P4/P2, National Highway-27 Gondal Highway, Village: Bhojpara, Rajkot, Gondal, Gujarat, India, 360311 and bearing CIN U29300GJ2006PLC047501 ("**Company**"), hereby certify the current and future working capital requirements of the Company as under:

1. Funding working capital requirements:

As on July 31, 2025, the Company's working capital facilities and borrowings from banks and financial institutions consisted of an aggregate fund-based limit of Rs. 500 Lakhs. As of July 31, 2025, the aggregate amounts outstanding under the fund based and non-fund based working capital facilities of our Company were Rs. 500 Lakhs and Rs. Nil, respectively on a standalone basis.

Basis of estimation of working capital requirements

The details of our Company's working capital as at July 31, 2025, March 31, 2025, March 31, 2024 and March 31, 2023, derived from and the source of funding, on the basis of Restated Financial Statements as certified by us, through our certificate dated August 02, 2025 under UDIN: 25118326BMITTR7314 are set out in the table below:

(Amount in Rs. Lakh)

S. No.	Particulars	As at July 31, 2025	As at 31.03.2025	As at 31.03.2024	As at 31.03.2023
1.	Inventory	1440.12	1339.02	882.71	732.10
2.	Debtors	1202.96	1032.25	640.17	572.84
3.	Other Current Assets	395.50	225.34	73.75	90.77
	Total Current Assets	3038.58	2596.61	1,596.62	1,395.72
1.	Trade Payable	870.96	682.61	367.02	578.73
2.	Other Current Liabilities	675.66	418.76	387.83	313.21
	Total Current Liabilities	1546.62	1101.37	754.85	891.93
	Net Working Capital	1,491.96	1495.24	841.77	503.79
	Working Capital Sourced from Loan Fund	761.00	731.00	680.00	454.00
	Working Capital Sourced from Net Owned funds	730.96	764.24	161.77	49.79

Future working capital requirements

On the basis of the existing working capital requirements, management estimates and projected working capital requirements, our Board of Directors of the Company had, pursuant to resolution dated August 04, 2025, approved the estimated working capital requirements for the Financial Years ended March 31, 2026 and March 31, 2027 as set out below:

(Amount in Rs. Lakh)

S. No.	Particulars	As at 31.03.2026	As at 31.03.2027
1.	Inventory	1,987.04	2,558.00
2.	Debtors	1,324.69	1,705.00
3.	Other Current Assets	188.57	228.00
	Total Current Assets (A)	3,500.30	4,491.00
1.	Trade Payable	943.00	1,215.00
2.	Other Current Liabilities	627.00	807.00
	Total Current Liabilities (B)	1,570.00	2,022.00
	Net Working Capital (NWC) (A) – (B)	1,930.30	2,469.00
	Net working Capital Sourced from Debts/ Bank Loan	761.00	761.00
	Net working Capital Sourced from Internal accrual	734.00	734.00
	Additional Requirement proposed From IPO Net Proceed	435.00	973.70

The Total order book value as on July 31, 2025 is Rs. 2,441.83 Lakhs (without GST). The Value against the order book value is estimated to be realized as Rs. 2,441.83 Lakhs (without GST) in the FY2025-26 itself.

Key assumptions for working capital projections made by our Company

- Total Inventory to be maintained at level of 150 days of turnover in line with the same level as resulted in past trend.
- Debtors are proposed to be maintained at the level of 100 days of turnover. The same are proposed to be slightly improved from past trend by effects of growth in turnover.
- Other current assets and advances are proposed to be maintained at the level of 14 days of turnover for FY 25-26 & 13 days of turnover for FY 26-27 and same level in line of past trend of business.
- Trade Payables are proposed to be maintained at 105 days to total purchases. The same are reduced slightly from the past trend to gain the better terms and improve profitability.
- Other Current liabilities are proposed to be maintained at same level in line of past trend of business.
- Overall working capital level are maintained at 146 days for FY 25-26 & 145 days for FY 26-27 and in the line of past trend of the business.

Holding Levels Table are as below on the basis of historical trend and future projections:

Particulars	For the Financial Year ended March 31 (Actual)			For the four months period ended July, 31 2025 (Actual)	For the Financial Year ended March 31 (Projected)	
	2025	2024	2023		2026	2027
Working capital-Days	218	174	104	162	146	145
Inventory -Days	195	171	152	156	150	150
Debtors -Days	150	124	119	131	100	100
Creditors-Days	172	105	148	162	105	105

Key Assumption and Justification for holding levels:

Particulars	Assumption and Justification
Inventories	<p>Historical: Holding levels of inventories from Financial Year 2023, Financial Year 2024 and Financial Year 2025 vary between 152-195 days of revenue from operations and for the period ended July 31, 2025 holding days level was 156 days of revenue from operation. As the Company deals in customised product hence the inventory is being hold till the final acceptance is given by the customers for dispatch which leads to high holding days inventory. As the turnover of the company increasing day by day from Rs. 1752.64 lakhs in FY2023 to Rs. 2503.30 lakhs in FY2025 hence the inventory level is also increased as on 31.03.2025 to 195 days to feed the new increased demand of market in next coming period of time as reflected in the stub period ended on July 31, 2025 with the growth. The same growth is on resultant to sale in stub period and level stabilised to 156 days.</p> <p>Projected: Based on the past trend, the Company has projected the Inventory days in Financial Year ended March 31, 2026 and Financial year ended March 31, 2027 as 150 days of revenue from operations.</p>
Debtors	<p>Historical: Holding levels of Debtors from Financial Year 2023 to Financial Year 2025 vary between 119-150 days of revenue from operations and for the period ended July 31, 2025 holding days of 131 days of revenue from operation. It is on improving trend because of increased in turnover and better terms of business in market.</p> <p>Projected: The Company has projected the level of the trade receivables in Financial Year ended March 31, 2026 and Financial year ended March 31, 2027 as 100 days of revenue from operations. The same are in line of past trend and slightly improved way as it would gain due to growth of business.</p>
Other Current Asset	<p>Historical: Major portion of other current assets includes Advances to suppliers, balances with government authorities and prepaid expenses. The level of the same is varies from 14 to 33 days of the revenue from operations.</p> <p>The level of same is increase to 43 days of revenue from operations for stub period ended July 31, 2024 but same is temporary phase and would reduce at year end.</p> <p>Projected: The level of other current assets are projected as 14 days of revenue from operation for Financial Year ended March 31, 2026 and March 31, 2027 on the basis of past trend and future business growth basis.</p>
Trade Payable	Historical:

	<p>The Company's trade payables level vary between 105-172 days for the Financial Year ended March 31, 2023, Financial Year ended March 31, 2024 and Financial Year ended March 31, 2025 The trade payables for the stub period ended on July 31, 2024 is 162 days. It vary on account of supplies and completion period of orders in hand. It is in normal course of business trend whenever the business grow the creditors' level increase but stabilised to normal credit days.</p> <p>Projected: The Trade payable are projected as 105 days for the FY2026 and FY2027. The same are in line of past trend and slightly improved way with the expectation of business growth.</p>
Other Current Liabilities	<p>Historical: Other current liabilities primarily include duties and taxes payables and expenses payable. Holding level of Other Current liabilities vary between 61-66 days during the FY- 2023, FY-2024 and FY- 2025. It is 73 days for the stub period ended on July 31, 2024 as temporary phase. The same are in line of business trend and improved because of increase in business.</p> <p>Projected: The level of Other current liabilities are projected as 47 days for the FY- 2025, FY- 2026 and FY-2027 in line of past trend with improved version due to increase in business.</p>
Net Working capital	<p>Historical: The net working capital for FY-2023, FY- 2024 and FY-2025 are 104 /174/218 days of revenue of operations respectively. The Net working capital if increased in FY2025 as 218 days because of accumulation of the inventory in last quarter to complete the order in hand as resulted to revenue in FY-2026. The same is reflecting as growth of revenue in stub period ended on July 31,2025 as level is stabilised as 162 days.</p> <p>Projected: The net working capital is projected as 146 days for the FY- 2026 and 145 days for FY- 2027 in line of past trend and improved way with expectation of business growth.</p>

The above submissions are made based upon an independent verification of facts, figures and explanations received by us from the Company for the purpose of and in connection with the proposed Initial Public Offering by the Company.

We hereby give consent to include the contents of this certificate or to make reference thereof in the Draft Prospectus and the Prospectus in connection with the proposed Initial Public Offering by the Company Or to file/submit this certificate with any relevant Statutory/Regulatory Authority including but not limited to the

National Stock Exchange of India Limited/BSE Limited, Securities and Exchange Board of India, Jurisdictional Registrar of Companies.

**For K M Chauhan & Associates,
Chartered Accountants
Firm Registration No.: 125924W**

**CA Kishorsinh M. Chauhan
Partner
Membership No.: 118326
Place: Rajkot
Date: 05/08/2025
UDIN: 25118326BMITUI3830**