

CERTIFICATE ON EXAMINATION OF PROJECTIONS

To,
The Board of Directors,
Monika Alcobev Limited
2403, 24th Floor,
Signature, Suresh Sawant Road, Off. Veera Desai Road,
Andheri West, Mumbai – 400053
Maharashtra, India

And

Marwadi Chandarana Intermediaries Brokers Private Limited
X-Change Plaza, Office No. 1201 To 1205,
12th Floor, Building No. 53E, Zone-5, Road 5E,
Gift City, Gandhinagar - 382355,
Gujarat, India
(Marwadi Chandarana Intermediaries Brokers Private Limited referred to as the “Book Running Lead Manager” or the “BRLM”)

Dear Ma’am/Sir,

Re: Proposed initial public offering of equity shares of face value of Rs. 10 each (“Equity Shares” and such initial public offer, an “IPO” or “Issue”) of Monika Alcobev Limited (the “Company”) comprising of fresh issue of the Equity Shares by the Company (the “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”)

We, Shah Gupta & Co, Chartered Accountants, are the Statutory Auditors of the Company for the period/year ended December 31, 2024, March 31, 2024, March 31, 2023, March 31, 2022 and period ended January 16, 2022, In accordance with Standard on Assurance Engagement 3400, “The Examination of Prospective Financial Information”, issued by the Institute of Chartered Accountants of India, the preparation and presentation of the forecast, including the underlying assumptions, set out in the Annexure A is the responsibility of the management and has been approved by the Board of Directors of the Company. Our responsibility is to examine the evidence supporting the assumptions (excluding the Hypothetical assumption) and other information in the prospective financial information. Our responsibility does not include verification of the accuracy of the forecasts. Therefore, we do not vouch for the accuracy of the same.

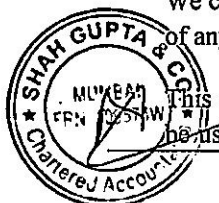
Based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the forecast. Further, in our opinion the forecast is properly prepared on the basis of the assumptions as set out below and on consistent basis with historical financial statements, using appropriate accounting principles. Actual results are likely to be different from the forecast since anticipated events frequently do not occur as expected and the variation may be material.

We have conducted our examination in accordance with the “Guidance Note on Reports in Company Prospectuses (Revised 2019)” and “Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)” (“Guidance Note”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have also 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.

We confirm that the information in this certificate 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.

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 draft red herring prospectus, red herring prospectus, prospectus and any

H.O. 38, 2nd Floor, Bombay Mutual Building, Dr. D.N. Road, Fort, Mumbai 400 001



other material used in connection with the Offer (together the "Offer documents"), 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 Offer and in accordance with applicable law, and for the purpose of any defence the BRLM may wish to advance in any claim or proceeding in connection with the contents of the Offer documents.

This certificate may be relied on by the Company, the BRLM and legal counsel in relation to the Offer.

We undertake to update you in writing with any changes in the above mentioned position, until the date the Equity Shares issued pursuant to the Offer 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.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Offer Documents.

Yours Sincerely,

For Shah Gupta & Co.

Chartered Accountants

ICAI Firm Registration Number: 109574W

Peer Review Number: 019101


Bharat P. Vasani

Partner

M. No. 040060

UDIN: 25040060BMILOC2347

Place: Mumbai

Date: April 11, 2025



Cc:

Vidhigya Associates, Advocates

501, 5th Floor, Jeevan Sahakar Building

Sir P M Road, Homji Street

Fort, Mumbai -400 001

Annexure A

Details of Estimation of Working Capital requirement are as follows:

The details of the working capital requirements of our Company as at December 31, 2024 and as at March 31, 2024, 2023 and 2022 and the funding pattern for such periods, based on our audited standalone financial statements, are set out in the table below:

(Rs. In Lakhs)

Particulars	For the period ended December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Current Assets				
Inventories	15,614.19	8,566.95	3,962.81	2,697.49
Trade receivables	9,673.53	9,588.79	7,208.17	4,067.25
Short term loans and advances	2,196.92	1,385.95	892.73	558.30
Other current assets	82.36	35.64	12.11	-
Total Current Assets (I)	27,566.97	19,577.35	12,075.82	7,323.04
Current Liabilities				
Trade payables	3,768.75	1,393.61	2,354.24	957.12
Other current liabilities	2,095.69	1,410.11	1,152.06	589.53
Short term provisions	633.87	640.74	407.51	79.73
Total Current Liabilities (II)	6,498.30	3,444.46	3,913.81	1,626.38
Net working capital requirements (I-II)	21,068.67	16,132.89	8,162.01	5,696.66
Existing Funding Pattern				
Borrowings from Banks	14,834.98	10,824.13	3,967.80	3,086.30
Internal Accruals and Equity	6,233.69	5,308.76	4,194.21	2,610.35
Total Means of Finance	21,068.67	16,132.89	8,162.01	5,696.66

The Company's projected working capital requirements for Fiscal 2026 and Fiscal 2027, together with the assumptions and justifications for holding levels are as set forth below :



(Rs. In Lakhs)

Particulars	For the Financial Year ended March 31, 2025	For the Financial ended March 31, 2026	For the Financial ended March 31, 2027
	Estimated	Projected	Projected
Current Assets			
Inventories	15,132.54	19,780.64	25,714.84
Trade receivables	11,155.40	15,637.24	19,593.50
Short term loans and advances	2,887.30	3,560.76	4,446.61
Other current assets	172.36	190.72	211.15
Total Current Assets (I)	29,347.59	39,169.37	49,966.10
Current Liabilities			
Trade payables	4,009.48	5,209.32	6,758.39
Other current liabilities	1,428.97	1,631.42	1,867.24
Short term provisions	701.56	980.43	1,384.45
Total Current Liabilities (II)	6,140.00	7,821.18	10,010.08
Net working capital requirements (I-II)	23,207.58	31,348.19	39,956.02
Existing Funding Pattern			
Borrowings from Banks	16,000.00	16,000.00	16,000.00
Internal Accruals and Equity	7,207.58	9,971.91	13,914.81
IPO Proceeds	-	5,376.28	10,041.21 [#]
Total Means of Finance	23,207.58	31,348.19	39,956.02

[#]The Company proposes to utilize ₹ 10,041.21 Lakhs from Net Proceeds towards funding our incremental working capital requirements in the manner set out above, out of which ₹ 5,376.28 Lakhs is proposed to be utilized in Fiscal 2026. Balance ₹ 4664.92 Lakhs out of the IPO Net Proceeds is proposed to be utilized during the Fiscal 2027 for the purpose of funding the working capital requirements

Assumptions for working capital requirements

The following table sets forth the details of the holding period (with days rounded to the nearest whole number) considered for stub period December 31, 2024, financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, as well as projections for financial year ended March 31, 2025, March 31, 2026, and March 31, 2027.



Particulars	For the Financial Year ended March 31, 2027	For the Financial Year ended March 31, 2026	For the Financial Year ended March 31, 2025	For the Financial Year ended December 31, 2024	For the Financial Year ended March 31, 2024	For the Financial Year ended March 31, 2023	For the Financial Year ended March 31, 2022
	Projected	Projected	Estimated	Audited*	Audited*	Audited*	Audited*
Inventory Days	380	380*	379	404	266	169	160
Trade receivables	178	185	173	141	185	188	164
Trade payables	100	100	100	97	43	101	59

*Approved by the Board pursuant to the resolution passed by the Company in its Board Meeting dated April 10, 2025 and Audit Committee meeting dated April 10, 2025 and as certified by M/s. Shah Gupta & Co., Chartered Accountants by way of their certificate dated April 11, 2025, have complied and confirmed the working capital estimates,

Holding levels for December 2024 have been annualised. Annualized days have been calculated using 275 days for the nine months ended December, 2024.

The above days were calculated based on the following formulas:

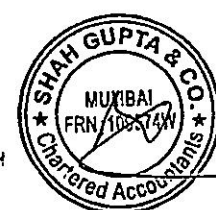
1. Inventory days are calculated as Inventories divided by Cost of Goods Sold multiplied by 365 days.
2. Trade receivable days are calculated as Trade receivables divided by Revenue from operations multiplied by 365 days.
3. Trade Payables days are calculated as Trade Payables divided by Cost of Goods Sold multiplied by 365 days.

Note - The company was formed by conversion of partnership firm to public limited company hence the figures of partnership firm have been considered while calculating the ratios for financial year 2022.

The justifications for the above holding levels and other line items of current assets and current liabilities mentioned in the table above are provided below:

A. Inventory Days

Particulars	For the Financial Year ended March 31, 2027	For the Financial Year ended March 31, 2026	For the Financial Year ended March 31, 2025	For the Financial Year ended December 31, 2024	For the Financial Year ended March 31, 2024	For the Financial Year ended March 31, 2023	For the Financial Year ended March 31, 2022
	Projected	Projected	Estimated	Audited	Audited	Audited	Audited
Inventories	25714.84	19780.64	15132.54	15614.19	8566.95	3962.81	2697.49
Cost of Goods Sold	24682.19	19014.03	14588.96	10634.03	11755.60	8540.08	5926.89
Inventory Days	380	380	379	404	266	169	160



Over the last few years, the Company has pursued a focused strategy to expand its market presence by registering labels across multiple new regions. The total labels registrations of the Company have grown from 494 in FY22 to 1,209 by FY25, more than doubling our product reach across key states. Newer SKUs are being registered not only for existing products, such as newer variants, but also for newly introduced products as part of our portfolio expansion strategy. This expansion was critical to positioning our brands ahead of rising demand in niche and emerging categories like tequila and premium whiskey.

As a direct result of this aggressive expansion, our inventory levels have increased significantly from ₹ 2,697.49 Lakhs in FY22 to ₹15,132.54 crore in FY25. This buildup of inventory was essential to support deeper market penetration, ensure sufficient stock availability in newly entered geographies, and maintain service levels during periods of volatile demand.

At the same time, the increase in inventory levels reflects a rise in inventory days from 160 days in FY22 to 379 days in FY25. This was a conscious decision, aligned with the Company's plan to build strategic stock buffers to support wider distribution, new product launches, and manage risks associated with longer lead times for our products.

B. Receivable Days

<i>Particulars</i>	<i>For the Financial Year ended March 31, 2027</i>	<i>For the Financial Year ended March 31, 2026</i>	<i>For the Financial Year ended March 31, 2025</i>	<i>For the Financial Year ended December 31, 2024</i>	<i>For the Financial Year ended March 31, 2024</i>	<i>For the Financial Year ended March 31, 2023</i>	<i>For the Financial Year ended March 31, 2022</i>
	<i>Projected</i>	<i>Projected</i>	<i>Estimated</i>	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>
<i>Trade Receivables</i>	19593.50	15637.24	11155.40	9673.53	9588.79	7208.17	4067.25
<i>Net Revenue</i>	40110.75	30854.42	23604.17	17189.81	18920.00	13977.98	9078.51
<i>Trade Receivables Days</i>	178	185	173	141	185	188	164

Justification: -

The company had Trade Receivables of 164 days, 188 days, 185 days in fiscal 2022, 2023, 2024 respectively. These levels are high due to the structure of the Indian liquor industry where high duties and taxes are embedded into the final selling price to the consumers making the cost of Liquor products three to five times the manufacturing cost and cost of importation to India. These levels are expected to remain the on similar lines in Fiscal 2022. Going forward, the company is expected to see a similar cycle in the range of 175-185 days.



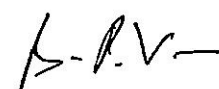
C. Payable Days

Particulars	For the Financial Year ended March 31, 2027	For the Financial Year ended March 31, 2026	For the Financial Year ended March 31, 2025	For the Financial Year ended December 31, 2024	For the Financial Year ended March 31, 2024	For the Financial Year ended March 31, 2023	For the Financial Year ended March 31, 2022
	Projected	Projected	Estimated	Audited	Audited	Audited	Audited
Trade Payables	6758.39	5209.32	4009.48	3,768.75	1,393.61	2,354.24	957.12
Cost of Goods Sold	24682.19	19014.03	14588.96	10634.03	11755.60	8540.08	5926.89
Trade payable days	100	100	100	97	43	101	59

The accounts payables have increased steadily over the years, reflecting the growing scale of our operations and the strengthening of our relationships with suppliers. Payables rose from 59 days in FY22 to 100 days in FY25. These extended terms have provided additional flexibility in managing the working capital and funding the company's growth more efficiently.

As per Our Certificate of Projections of even date.

Yours Sincerely,
For Shah Gupta & Co.
Chartered Accountants
ICAI Firm Registration Number: 109574W
Peer Review Number: 019101



Bharat P. Vasani
Partner
M. No. 040060
UDIN: 25040060BMILOC2347
Place: Mumbai
Date: April 11, 2025



Cc:

Vidhigya Associates, Advocates
501, 5th Floor, Jeevan Sahakar Building
Sir P M Road, Homji Street
Fort, Mumbai -400 001