SMC CAPITALS LIMITED
A-401/402, Lotus Corporate Park,
Jai Coach Junction, Off Western Express Highway,
Goregaon (E), Mumbai-400063
Tel : (B) +91-22-66481818 Fax : +91-22-67341697

CIN No. : U74899DL1994PLC063201
SEBI Registration No: INM000011427

September 30, 2025

To,
NATIONAL STOCK EXCHANGE OF INDIA LIMITED
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai– 400051.

Subject: Due-Diligence Certificate for Filing Draft Red Herring Prospectus with Stock Exchange.

Ref: Proposed Initial Public Offering ("IPO") of 46,00,000 Equity Shares of face value of Rs.10/- each (the "Equity Shares" and the "Issue") of 'Kheria Autocomp Limited' (the "Company")

We, confirm that:

1. We have examined various documents including those relating to litigation, including commercial disputes, patent disputes, disputes with collaborators, etc. and other material while finalizing the Draft Red Herring Prospectus ("**DRHP**") of the subject issue;

2. On the basis of such examination and discussions with the issuer, its directors and other officers, other agencies, and independent verification of the statements concerning the objects of the issue, price justification, contents of the documents and other papers furnished by the issuer, we confirm that:

   a. the DRHP filed with the Stock Exchange is in conformity with the documents, materials and papers which are material to the Issue;

   b. all material legal requirements relating to the issue as specified by the Stock Exchange, the Central Government and any other competent authority in this behalf have been duly complied with; and

   c. the material disclosures made in the DRHP are true and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 2013, these regulations and other applicable legal requirements.

3. Besides ourselves, all intermediaries named in the DRHP are registered with the Board and that till date, such registration is valid.

4. We have satisfied ourselves about the capability of the underwriters to fulfil their underwriting commitments.

5. Written consent from the promoter has been obtained for inclusion of specified securities as part of the promoters' contribution subject to lock-in and the specified securities proposed to form part of the promoters' contribution subject to lock-in shall not be disposed or sold or transferred by the promoter during the period starting from the date of filing the DRHP with the Stock Exchange till the date of commencement of lock-in period as stated in the DRHP.

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6. All applicable provisions of SEBI ICDR Regulations, 2018, which relate to specified securities ineligible for computation of promoters' contribution, have been and shall be duly complied with and appropriate disclosures as to compliance with the said regulation(s) have been made in the DRHP.

7. All applicable provisions of SEBI ICDR Regulations, 2018 which relate to receipt of promoters' contribution prior to opening of the issue, shall be complied with. Arrangements have been made to ensure that the promoters' contribution shall be received at least one day before the opening of the issue and that the auditors' certificate to this effect shall be duly submitted to the Stock Exchange. We further confirm that arrangements have been made to ensure that the promoters' contribution shall be kept in an escrow account with a scheduled commercial bank and shall be released to the issuer along with the proceeds of the Issue.

8. Necessary arrangements shall be made to ensure that the monies received pursuant to the issue are credited or transferred to in a separate bank account as per the provisions of sub-section (3) of section 40 of the Companies Act, 2013 and that such monies shall be released by the said bank only after permission is obtained from all the Stock Exchange, and that the agreement entered into between the bankers to the issue and the issuer specifically contains this condition.

9. The existing business as well as any new business of the issuer for which the funds are being raised fall within the 'main objects' in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried in the last ten years are valid in terms of the object clause of the Memorandum of Association.

10. Following disclosures have been made in the DRHP:

    a. An undertaking from the issuer that at any given time, there shall be only one denomination for the equity shares of the issuer, excluding SR equity shares, where an issuer has outstanding SR equity shares – **Complied with to the extent applicable and noted for compliance. There are no SR equity shares issued by the Company**

    and

    b. An undertaking from the issuer that it shall comply with all disclosure and accounting norms specified by the Board. - ***Noted for compliance.***

11. We shall comply with the regulations pertaining to advertisements in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. - ***Noted for compliance.***

12. If applicable, the entity is eligible to list on the Innovators Growth Platform in terms of the provisions of Chapter X of these regulations. – ***Not applicable***

We enclose a note explaining the process of due diligence that has been exercised by us including in relation to the business of the issuer, the risks in relation to the business, experience of the promoter and that the related party transactions entered into for the period disclosed in the DRHP have been entered into by the issuer in accordance with applicable laws.

We enclose a checklist confirming regulation-wise compliance with the applicable provisions of these regulations, containing details such as the regulation number, its text, the status of compliance, page number of the DRHP where the regulation has been complied with and our comments, if any.

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Additional confirmations/ certification to be given by the book running lead manager(s) in due diligence certificate to be given along with DRHP regarding issues on the SME.

We confirm that:

1. None of the intermediaries named in the DRHP are debarred from functioning by any regulatory authority.

2. The abridged prospectus contains all disclosures as specified in SEBI ICDR Regulations, 2018. – ***Noted for Compliance.***

3. All material disclosures in respect of the issuer have been made in the DRHP and that any material development in the issuer or relating to the issue up to the commencement of listing and trading of the specified securities offered through this issue shall be informed through public notices/advertisements in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the issue have been given. – ***Noted for Compliance.***

4. Agreements have been entered into with the depositories for dematerialisation of the specified securities of the issuer.

5. The underwriting and market making arrangements as per requirements of regulation 260 and 261 of SEBI ICDR Regulations, 2018 have been made. – ***Noted for Compliance.***

6. We discussed the basis for Issue Price/ Price Band with the Company's management and its auditors. – ***Noted for Compliance.***

7. The issuer has redressed at least Ninety- Five per cent. of the complaints received from the investors till the end of the quarter immediately preceding the month of the filing of the Issue document with the Registrar of Companies or letter of offer with the SME Exchange. – ***Not Applicable as its Initial Public Offer.***

For SMC Capital Limited

Satardekar

SMC Capitals Ltd. Mumbai

Suhas Satardekar
Vice President- Equity Capital Market

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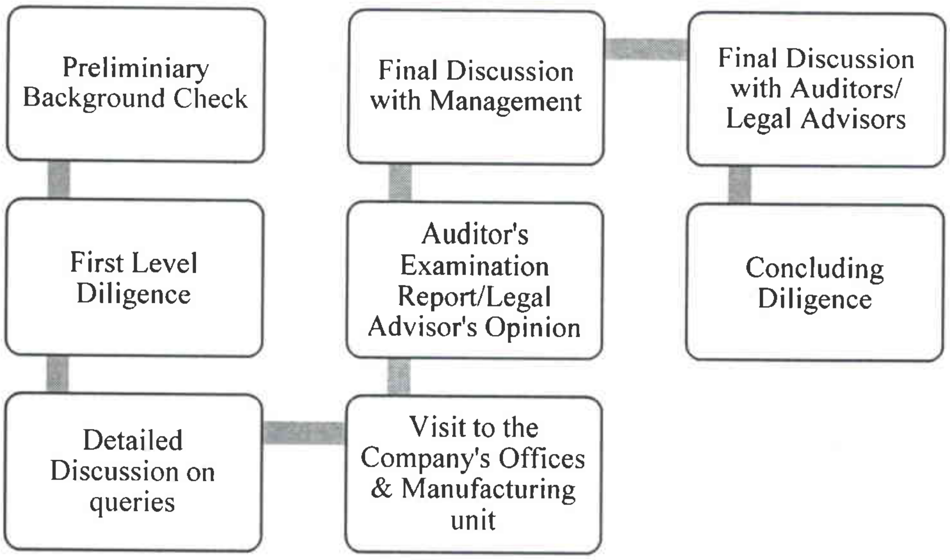
ANNEXURE A

NOTE EXPLAINING THE PROCESS OF DUE DILIGENCE

We, the Book Running Lead Manager to the proposed SME IPO of "**Kheria Autocomp Limited**" ("Company" or the "Issuer") have carried out the Due Diligence of the Company, a summary of which is explained herein below. For the purposes of complying with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations") and other applicable laws, and to the extent that it is customary for initial public offerings of this nature in India. All capitalized terms used herein and not specifically defined shall have the same meanings ascribed to such terms in the Draft Red Herring Prospectus dated September 30, 2025 ("DRHP").

However, the Due Diligence procedure set forth below is only a summary and is not exhaustive, a step plan of our entire Due Diligence exercise is depicted below for easy understanding:



Some of the key highlights of the above process are captured below as a summary:

Preliminary Background Check

We conducted a preliminary background check of the Company, its existing Directors and Promoters through websites in public domain like watchoutinvestors.com, CIBIL, Cubictree and the like.

First Level Diligence

We submitted a check list of documents containing salient features of the Issue Document covering areas like General Corporate information, Capital structure, and Business overview. Management, History and Corporate structure, Group companies, Legal Information, Governments as well as general approvals amongst others.

On receipt of documents from the Company as per the Due Diligence Checklist, we have examined all the documents with their supporting back up source documents and have evaluated the products and/ or services offered by the Company, the management team and their background, technology. Market competition, differentiators, financial plan amongst other areas.

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Detailed Discussions & Visit

We further had follow-up meetings with the Promoter, Key managerial personnel and Senior Management Team of the Company including visits to their registered office situated at Plot No.B6, B7 & B8, Tata Vendor Park, Revenue Survey No.1, Village. Northkot Pura, Sanand-382170, Gujarat, India, to understand the work done and were in process. Physical verification enabled us to assess management and operational capabilities, business nature of the Company, corporate governance compliances, etc. During the course of visit, we interacted with the various personnel of Company and after a detailed discussion we developed an understanding of the model of the Company. Further, we also visited existing manufacturing facility – Plant I situated in the same building where registered office is located.

State	Address	Category
Gujarat	Plot No.B6, B7 & B8, Tata Vendor Park, Revenue Survey No.1, Village. Northkot Pura, Sanand-382170, Gujarat, India.	Registered Office
Gujarat	Plot E-560, GIDC Sanand-II Industrial Estate, Village Rasulpura, Taluka Sanand, Dist. Ahmedabad, Gujarat-382170.	New manufacturing facility – Plant II

Post visit, we made broad comparison of the Company's process with the help of Company write ups, published documents, annual report etc. which enabled us to carry out SWOT Analysis, and areas of risk relating to the industry as well as specific to the company.

Concluding Due Diligence:

In this phase of Due Diligence, we consolidated the inputs received through the earlier phases and concluded our Due Diligence with carrying out inter alia the following activities:

1. We have reviewed various lease deed/ rent agreements relating to the properties like land, office building, etc. which is leased by the Company and for further we discussed with the legal counsel to the Issue to determine any risk related to the properties which can affect the Company's operations.

2. We reviewed sanction letters of lenders to understand the terms & conditions complied by the Company for availing the loan and which assets are subject to charge and risk related to the debt arranged.

3. We have verified whether the Company is regular with their ROC compliances, Income Tax and compliances of other statutory authorities by reviewing ROC Challans, Forms, Income Tax Acknowledgements, company's resolutions etc.

4. We have reviewed the Minute books of EGM and Board Meetings, which helped us to know the important decisions taken by the Company & inherent risk with decisions and also checked the Company's compliances with RoC.

5. We checked the registration of intermediaries proposed to be involved in the issue in various capacities.

6. We prepared a checklist of all the disclosures required to be made in the Draft Red Herring Prospectus as per the SEBI (ICDR) Regulations 2018 and mapped all those against the actual disclosures made in the Draft Red Herring Prospectus of this Issue.

7. We understood the Issue objects, checked the Company's Memorandum of Association and incorporated the proposed utilization of Issue Proceeds in the Draft Red Herring Prospectus.

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8. We have examined (i) originals or where that was not possible copies, certified or otherwise, of such documents, corporate records, certificates from public officials and other instruments as we have deemed relevant to the Issue. In such an examination we have assumed the genuineness of all signatures. The authenticity of all documents and records submitted to us as originals and the conformity with the originals of all documents and records submitted to us a copy thereof.

9. For outstanding litigations involving company, Promoter, Directors and Group companies, the Company has provided a list of outstanding litigations involving the Company, Promoters, Directors and Group Companies and supporting documents for material proceedings involving the Company, the materiality of which has been determined based on the Materiality Policy. Further, we, along with Legal Counsel, have interacted with the relevant representatives of the Company. Further, there are no disciplinary action including penalties imposed by the SEBI or Stock Exchanges against our Promoter in the last five Fiscals including outstanding action.

10. For the purposes of disclosure of the educational qualifications and professional experience of Directors, Key Managerial Personnel and Senior Management of the Company, we have relied on relevant transcripts, degree certificates, experience certificates, income tax returns, Form 26 and MCA information for directorships, and appointment letters issued by previous and current employers and other back-up documents.

11. The Group Company has been identified in accordance with the definition provided under the SEBI ICDR Regulations, as a company (other than promoter) with which there were related party transactions during the last three financial years, which is the period for which financial information is disclosed in the DRHP, as covered under the applicable accounting standards, which and has been identified pursuant to a resolution of the Board of Directors dated April 16, 2025.

12. The industry information is extracted from various websites and publicly available documents from various industry sources.

13. The objects of the Fresh Issue to utilize the Net Proceeds from the Fresh Issue to meet the working capital requirements of the Company and general corporate purpose. The details of the same have been disclosed in accordance with the requirements of the SEBI ICDR Regulations.

14. We have relied on the Certifications or Undertakings provided by the Management of the Company, Statutory Auditors, and Legal Counsel to the Issue and other Advisors/Consultants if any for various disclosures in the Draft Red Herring Prospectus.

For SMC Capital Limited

Satardekar

SMC Capitals Ltd. Mumbai

Suhas Satardekar
Vice President- Equity Capital Market