SMC CAPITALS LIMITED
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SEBI Registration No: INM000011427

Date: September 09,2026

To,
Securities and Exchange Board of India,
Corporation Finance Department,
Division of Issues & Listing,
Plot No C4-A, G' Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400051, Maharashtra.

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

Ref: Initial Public Offering ("IPO") of up to 45,98,400 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 Red Herring Prospectus ("**RHP**") 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 RHP 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 RHP 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 RHP 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 RHP with the Stock Exchange till the date of commencement of lock-in period as stated in the RHP.

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6. All applicable provisions of SEBI ICDR Regulations, 2018, as amended, 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 RHP.
7. All applicable provisions of SEBI ICDR Regulations, 2018, as amended, 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 RHP:

   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 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 RHP 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 RHP where the regulation has been complied with and our comments, if any.

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Additional confirmations/ certifications:

We confirm that:

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

2. The abridged prospectus contains all disclosures as specified in SEBI ICDR Regulations, 2018.

3. All material disclosures in respect of the issuer have been made in the RHP 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.

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.

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

SMC Capitals Ltd. Mumbai

Satardekar

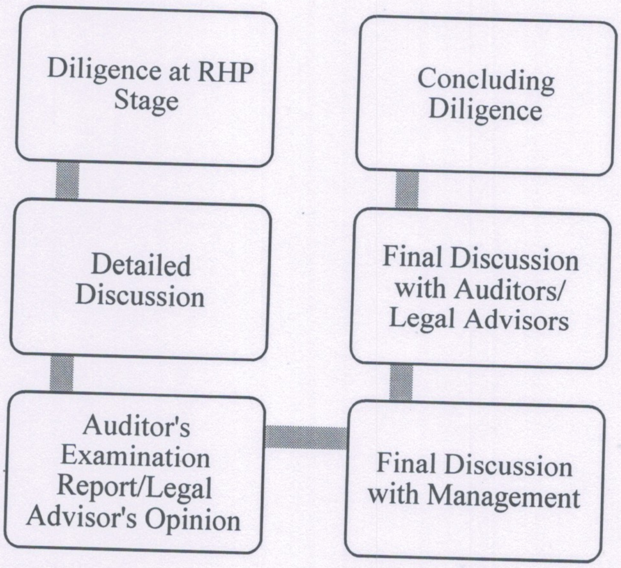
Suhas Satardekar
Vice President- Equity Capital Market

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 Red Herring Prospectus dated September 9, 2026 (**"RHP"**).

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:

Diligence at RHP Stage

We conducted a public search of the Company, its existing Directors, Promoters, Promoter group, Key Managerial Personnel and Senior Management through websites in public domain like watchoutinvestors.com , CIBIL, SEBI and litigation search from Cubictree.

We submitted a Due Diligence Checklist of documents containing salient features of the Issue Document covering areas like General Corporate information, Capital structure, Business overview. Management, Legal Information, Governments, object of the issue as well as general approvals amongst others.

On receipt of documents/additional documents received 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 Discussion:

We have had discussions with the Board of Directors, Promoters, Key Managerial Personnel and Senior Management (collectively referred to as the "Management"), including the support staff, in relation to changes in the business operations and other information which have undergone changes since the DRHP, and have reviewed relevant documents in connection therewith.

We have interacted with the Statutory and Peer Review Auditors of the Company in relation to financial matters and aspects pertaining to the Restated Financial Statements of the Company for the Financial year ended March 31, 2026, March 31, 2025, and March 31,2024.

Concluding Due Diligence:

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

1. We reviewed the sanction letters issued by the lenders to understand the terms and conditions complied with by the Company in respect of loans availed during the period from April 01, 2025 to June 30, 2026, including the assets subject to charge and the risks associated with the debt arrangements.

2. 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.

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

4. We have verified the registrations of the intermediaries proposed to be involved in the Issue in various capacities and confirmed the validity of such registrations.

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

6. We have reviewed the updated utilization of proceeds, checked the Company's Memorandum of Association and incorporated the proposed utilization of Issue Proceeds in the Red Herring Prospectus.

7. 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.

8. For outstanding litigations involving company, Promoter, Directors, Key Managerial Personnel and Senior Management, the Company has provided a list of outstanding litigations involving the

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Company, Promoters, Directors, Key Managerial Personnel and Senior Management 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.

9. We have placed reliance on the updated report titled "Industry Report on Automative Component Industry of India", dated August 18, 2026 (the "Industry Report"), exclusively prepared and issued by Dun & Bradstreet, for disclosures relating to industry information included in the RHP.

10. We have placed reliance on the updated report titled "Cost Vetting Report" dated August 12, 2026, exclusively prepared and issued by Dun & Bradstreet, for disclosures relating to project expenditure information included in the RHP.

11. We have Obtained and relied upon the certificates, formal representations and undertakings from the Company, the Promoters, the Promoter Group, the Directors, the Key Managerial Personnel and Senior Management of the Company, the Statutory and Peer Review Auditors and in support of certain disclosures made in the RHP, including certain operational data included in the business section, and for compliance with the SEBI ICDR Regulations.

For SMC Capital Limited

SMC Capitals Ltd. Mumbai

Satardekar

Suhas Satardekar
Vice President- Equity Capital Market