



SPD & ASSOCIATES

CHARTERED ACCOUNTANTS

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Mumbai Branch :- Opp. Akashwani Kendra, Next to Green Village Resort, Marve Road, Malad (W), Mumbai - 400095 (MS)

Ref. No.

Date:-

Statutory Auditor's Certificate on the compliance with the conditions of proposed preferential allotment of 960000 equity shares by Kapil Cotex Limited in terms of Chapter V of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018.

Date: 21/10/2023

To,
Board of Director
KAPIL COTEX LIMITED
UG- 276, DREAMS MALL, L. B. S. MARG,
NEAR BHANDUP RAILWAY STATION,
BHANDUP (WEST), MUMBAI - 400078

1. This certificate is issued in accordance with the terms of our engagement letter dated 17th October 2023 with Kapil Cotex Limited (hereinafter 'the Company').
2. In connection with the proposed issuance of 960000 Equity shares by way of preferential issue on a private placement basis (hereinafter 'proposed preferential issue') of the Company, the Company is required to obtain a certificate from Statutory Auditors, with regard to compliance with the conditions of the proposed preferential issue, as per the requirements of sub-para 2 of para 163 of Part III of chapter V of the Security and Exchange Board of India (Issue of Capital and Disclosure Requirements) regulations 2018, as amended (the "ICDR Regulations").
3. The accompanying statement contains details of proposed preferential issue being made (the "Statement"), as required by ICDR Regulations is prepared by the Management of the Company, which we have initialed for identification purposes only.

Management's Responsibility for the Statement

4. The preparation of the accompanying Statement, including the preparation and maintenance of all accounting and other relevant supporting records and documents, is solely the responsibility of the Management of the Company. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.



Auditor's Responsibility

5. Pursuant to the requirements of sub-para 2 of para 163 of Part III of chapter V of the ICDR Regulations, it is our responsibility to obtain limited assurance and conclude as to whether the details of the proposed preferential issue provided in the Statement is in accordance with the requirements of the ICDR Regulations as applicable to the preferential issue.
6. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ("Guidance Note"), issued by the Institute of Chartered Accountants of India (the "ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
7. 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 issued by ICAI.
8. We have performed the following procedures in relation to the Statement:
 - a. Noted the relevant date, being the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue;
 - b. Verified the calculation of the minimum price of the equity shares to be allotted in preferential issue in accordance with regulation 165 of SEBI (ICDR) Regulation.
 - c. Obtained and read the statutory registers of the Company to note equity shares are fully paid up;
 - d. Read the certified copy of the board resolution passed at the Board Meeting produced before us by the management containing the list of the Proposed Allottees.
 - e. Read the certified copy of the notice of general meeting produced before us by the management.
 - f. Recomputed the arithmetical accuracy of the Statement; and
 - g. Conducted relevant management inquiries and obtained necessary representations.
 - h. Verified the disclosure made under the explanatory statement in accordance with regulation.



Conclusion

Based on our examination as above, and the information and explanations given to us, nothing has come to our attention that causes us to believe that the details of the proposed preferential issue provided in the Statement are not in accordance with the requirements of the ICDR Regulations as applicable to the preferential issue, except that the special resolution required for approval of shareholders for proposed preferential issue is yet to be passed as required by the ICDR Regulations.

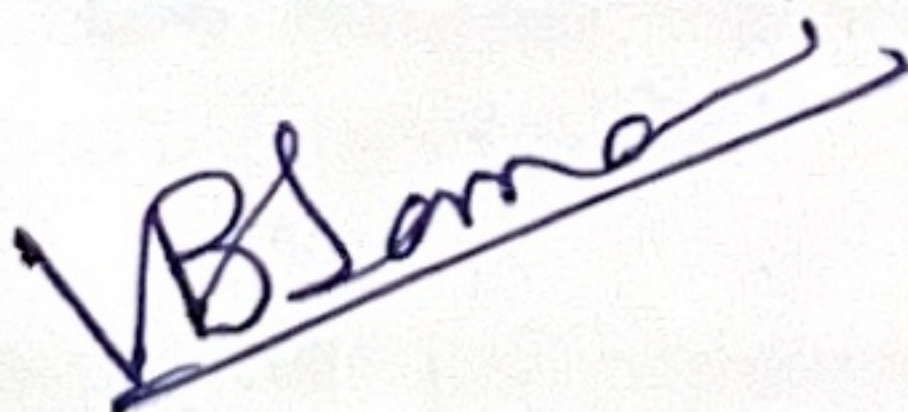
Restriction on distribution or use

9. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the ICDR Regulations. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have as statutory auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are subject of this certificate, will extend any duty of care we may have in our capacity as statutory auditors of the Company.
10. This certificate is addressed to and provided to the Board of Directors of the Company solely with the purpose of placing before shareholders' of the Company so as to provide them requisite information for approving the proposed preferential issue of Equity Shares and for the purpose of further submission to the stock exchanges and should not be used by any other person or for any other purpose.

Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

This certificate is issued based on the information and explanation provided to us and to the best of our knowledge.

For **SPD & ASSOCIATES**
CHARTERED ACCOUNTANTS



CA VENUGOPAL B. SOMANI
PARTNER
FRN: 139118W, MRN: 154533
Date: 25/10/2023

UDIN: 23154533BGRZQM1201