Mundra & Co.

Chartered Accountants

513, Apex Mall, 4th Floor, Lal Kothi, Tonk Road, Jaipur-302018

canitinjpr@gmail.com **+91-8239487569**

To,
The Board of Directors,
Unitec Fibres Limited
Bldg No 8, Flat No 3, Oshiwara Mahda Complex
Andheri (W)- 400053, Mumbai, Maharashtra, India.

And

Smart Horizon Capital Advisors Private Limited
B/908, Western Edge II, Kanakia Space, Behind metro mall,
Off Western Express Highway, Magthane, Borivali East,
Mumbai – 400066, Maharashtra, India

(**Smart Horizon Capital Advisors Private Limited** referred to as the "**Book Running Lead Manager**" or the "**BRLM**")

Sub: 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 Unitec Fibres Limited (the "Company").

We, **M/s. Mundra & Co.**, Chartered Accountants, the peer review auditors, have received a request from the Company to provide clarification on how Key Audit Matters and Emphasis of Matter mentioned in the Statutory Audit Report for the F.Y. 2023-24, 2024-25 and 2025-26 are addressed in Restated Financial Statements.

In this regard, we have reviewed the restated financial information of the Company for the financial year ended March 31, 2026, March 31, 2025 and March 31, 2024 (the "**Review Period**") which was audited in accordance with the Companies Act, 2013, as amended and the rules framed thereunder, the Indian GAAP and other accounting principles generally accepted in India and restated in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**Restated Financial Information**") and the examination report in respect of the Restated Financial Statements ("**Examination Report**").

In this regard, we submit that:

Differences in Inventory, Trade Receivables and Trade Payables
There are differences between the Inventory, Trade Receivables and Trade Payables reported in the statements submitted to the lending bank and the corresponding balances reflected in the books of account, Audited Financial Statements and Restated Financial Statements for the periods as set out below:

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Inventory			
As per Stock Statement	3,903.69	3,901.72	3,380.71
As per Balance Sheet	4,096.84	4,083.93	3,806.24
Difference	**(193.15)**	**(182.21)**	**(425.52)**

Mundra & Co.
Chartered Accountants
513, Apex Mall, 4th Floor, Lal Kothi, Tonk Road, Jaipur-302018
canitinjpr@gmail.com +91-8239487569

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Trade Receivables			
As per Stock Statement	1,394.07	1,717.31	1,634.63
As per Balance Sheet	1,393.43	1,705.16	1,439.21
Difference	**0.64**	**12.16**	**195.42**
Trade Payables			
As per Stock Statement	1285.33	1,435.07	1,280.67
As per Balance Sheet	1993.24	2,108.52	1,795.84
Difference	**(707.91)**	**(673.44)**	**(515.17)**

The differences have arisen primarily due to the following reasons:

Inventory: The Inventory reported in the books of account is recognised in accordance with the accounting policies, management judgement and the applicable financial reporting framework. The inventory statements submitted to the lending bank were prepared for banking purposes and, in certain instances, were based on management estimates and operational records maintained for such reporting. Accordingly, differences arose between the figures reported to the lending bank and those reflected in the books of account, Audited Financial Statements and Restated Financial Statements. The inventory statements submitted to the lending bank were prepared in accordance with the reporting requirements prescribed by the respective bank.

Trade Receivables: The book debt statement are prepared in the first week of the following month. Due to the subsequent receipt of certain information from customers, including information relating to trade discounts, shortages and quality deductions, the trade receivable amount considered in the book debt statement may be higher than the corresponding amount ultimately reflected in the books of account. Accordingly, differences arose between the trade receivables reported to the lending bank and those reflected in the books of account, Audited Financial Statements and Restated Financial Statements.

Trade Payables: As per the applicable bank sanction terms, we are required to report in the statements submitted to the lending bank the closing balances of vendors relating to raw materials, chemicals, coal and packing materials. However, the books of account include balances payable to all vendors, including vendors relating to raw materials, chemicals, coal, packing materials, capital goods as well as other vendors. Accordingly, differences arose between the trade payables reported to the lending bank and those reflected in the books of account, Audited Financial Statements and Restated Financial Statements.

Further, the Company is required to submit its Audited Financial Statements annually to the lending banks for renewal of its sanctioned limits. As represented by the Management, the lending banks have not raised any objection in respect of the aforesaid differences and have continued to renew and extend the sanctioned limits. Accordingly, there was no separate intimation specifically in relation to the aforesaid differences, as the Audited Financial Statements containing the corresponding balances were furnished to the lending banks in the ordinary course.

Mundra & Co.
Chartered Accountants
513, Apex Mall, 4th Floor, Lal Kothi, Tonk Road, Jaipur-302018
canitinjpr@gmail.com +91-8239487569

Scope of our Engagement

We have been appointed as the Peer Reviewed Auditor in connection with the proposed public issue of the Company for the purpose of reporting on the Restated Financial Information in accordance with the applicable provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI").

Our responsibility is limited to examining the Restated Financial Information prepared by the Company from the audited financial statements for the relevant periods and reporting thereon in accordance with the aforesaid Guidance Note. Our engagement does not constitute a statutory audit, stock audit or forensic examination, nor does it include independent verification of stock statements submitted to banks or direct confirmation of balances with customers or vendors, except to the extent considered necessary for reporting on the Restated Financial Information.

This certificate has been issued in connection with the proposed public issue of the Company and should not be used or relied upon for any other purpose without our prior written consent.

For M/s. Mundra & Co.
Chartered Accountants
Firm Registration Number: 013023C

NKhandelwal

MUNDRA & CO. CA INDIA FRN-013023C CHARTERED ACCOUNTANTS

CA Nitin Khandelwal
Partner
Membership No: 414387
Place: Jaipur
Date: September 11, 2026
UDIN: 26414387ATIVAD8152