

**The Board of Directors  
Kilburn Engineering Limited  
Four Mangoe Lane,  
Surendra Mohan Ghosh Sarani,  
Kolkata -700001**

Dear Sirs,

**Subject:** Statutory Auditor's Certificate on Proposed Preferential Issue of Equity Shares in accordance with Regulation 164A(8) of Chapter V, 'PREFERENTIAL ISSUE' of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

- 1) This Certificate is issued in accordance with the terms of our engagement letter dated 15<sup>th</sup> March, 2021.
- 2) The Board of Directors of Kilburn Engineering Limited ("the Company") in its meeting held on 4<sup>th</sup> March, 2021 has considered and approved sanction letter for restructuring of debt from RBL Bank Limited pursuant to the principles under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019 dated 7<sup>th</sup> June, 2019. In terms of restructuring of debt (hereinafter referred to as "the Resolution Plan"), the below enabling actions approved:
  - a) Conversion of the outstanding principal and interest due to RBL Bank Limited to term loan, Equity Shares and Cumulative Redeemable Preference Shares ("CRPS") and
  - b) Equity infusion by Firstview Trading Private Limited (CIN: U51909WB2018PTC228935) having Registered Office at 31, Netaji Subhas Road, Duncan House, Kolkata-700001 (hereinafter referred to as "the new investor") and consequent change in Management/Board of Directors of the Company.
- 3) **This Certificate is for compliance for issue of equity shares to the new investor in terms of Regulation 164A(8) of Chapter V "Preferential Issue" of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (hereinafter referred as the "the Regulations"). The Company has convened an Extraordinary General Meeting ("EGM") on 27<sup>th</sup> March, 2021 which inter-alia includes approval of issue of equity shares to the new investor.**

- 4) We have examined the records and other relevant information furnished by the Company, including the accompanying statement titled **“Annexure A – Statement of Computation of Minimum Price for the Proposed Preferential Issue of Equity Shares”** (hereinafter referred to as “Annexure A”).

#### **Management’s Responsibility**

- 5) The Management of the Company is responsible for maintenance of proper records as required under the Regulations and adherence with the applicable guidelines in connection with the proposed Preferential Issue of Equity Shares to the new investor by the Company. This responsibility includes the design, implementation and maintenance of internal control, applying an appropriate basis of preparation, and making estimates that are reasonable in the circumstances relevant for the purpose of compliance with the Regulations in connection with the said proposed Preferential Issue of Equity Shares to the new investor by the Company.

#### **Auditor’s Responsibility**

- 6) Our Responsibility for issuing this certificate is limited to provide a reasonable assurance with respect to the compliance with Chapter V of the SEBI ICDR Regulations, in connection with the said proposed preferential Issue of Equity Shares to the new investor by the Company.
- 7) Our scope of work does not include verification of compliance with other requirements of the Regulations, other circulars, notifications, etc. as issued by relevant regulatory authorities from time to time, and any other laws and regulations applicable to the Company. Further, our scope of work does not involve performing audit tests for expressing an opinion on the fairness or accuracy of any of the financial information or financial statements of the Company, taken as a whole.
- 8) Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that may have in our capacity of the statutory auditors of any financial statements /financial results of the Company.

9) We have examined the compliance with the requirement of Chapter V of the Regulations relating to the Proposed Preferential Issue of Equity Shares to the new investor in the following manner:

- a) The Company has informed us that the relevant date for the proposed Preferential Issue of Equity Shares to the new investor is 25<sup>th</sup> February, 2021.
- b) The price per securities to be issued in the form of Equity Shares of Rs. 20 (including a premium of Rs. 10 per share) is not less than the average of weekly high and low of volume weighted average prices of the Company's Equity Shares quoted on BSE Limited, being the exchange with the highest traded volume, during the two weeks preceding the relevant date i.e. 25<sup>th</sup> February, 2021, calculated in accordance with Regulation 164A of the Regulations, based on quoted prices from BSE Limited (as obtained from the website bseindia.com), as given below, and also included in the detailed calculation in Annexure A to this report.

Average of weekly high and low of volume weighted average prices of the Company's Equity Shares during the two weeks preceding the relevant date i.e. 25<sup>th</sup> February, 2021 : Rs. 19.62

- c) Based on the Certificate received from the Registrar and Share Transfer Agent of the Company and the information and representation provided to us, the Company is in compliance with the conditions for continuous listing of Equity Shares as specified in the listing agreement with the recognised stock exchange where the Equity Shares of the Company are listed.
- d) Based on the Certificate received from the Registrar and Share Transfer Agent of the Company and the information and explanations provided to us, there is no pre-preferential allotment holding of Equity Shares by the proposed allottee i.e. the new investor as on the relevant date.
- e) Based on the Certificate received from the Registrar and Share Transfer Agent of the Company and the information and explanations provided to us, the proposed allottee i.e. the new investor has not traded in the Equity Shares of the Company during the six months preceding the relevant date.

- f) The proposed allottee i.e. the new investor is not ineligible for subscription of the specified securities of the Company on preferential issue in accordance with Regulation 159 of the Regulations on account of failure to exercise any previously subscribed warrants of the Company.
- g) The Company has provided all the requisite disclosures in the explanatory statement to the notice for the general meeting proposed for passing special resolution in accordance with Regulation 163(1) of the Regulations.
- h) The Company has obtained the Permanent Account Number (PAN) from the proposed allottee i.e. the new investor.
- i) The Company has represented to us that it will comply with applicable legal and statutory formalities and no statutory authority has restrained the Company from issuing these proposed Equity Shares to the new investor. We have relied upon this.
- 10) We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
- 11) 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.

### **Opinion**

- 12) **Based on our examination, as above, and according to the information and explanation provided to us by the management of the Company, we hereby certify that in respect of proposed Preferential Issue of Equity Shares to the new investor, the Company is in compliance with all the conditions under sub-regulations (1), (2), (3), (4) and (5) of Regulation 164A at the time of dispatch of notice for EGM for passing the special resolution and at the time of allotment.**

## Restrictions on Use

13) This Certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose of placing before the EGM making it available for inspection by the shareholders and/or submission to the BSE Limited in connection with the said allotment of Equity Shares under Chapter V of the Regulations and is not to be used for any marketing, sale or any other offer of securities or referred to for any other purpose or distributed to any other person without our prior written consent. 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.

For **V. Singhi & Associates**  
**Chartered Accountants**  
**Firm Registration No. 311017E**

**Place:** Mumbai  
**Date:** 25<sup>th</sup> March, 2021

**(Tarun Jain)**  
**Partner**  
**Membership No. 130109**  
**UDIN :**

CONFIDENTIAL DRAFT

## Annexure A - Computation of Minimum Price for the Proposed Preferential Issue of Equity Shares

Based on quoted prices from BSE Limited (as obtained from the website bseindia.com)

The average of the weekly high and low of the volume weighted average prices during weighted prices during the **two weeks preceding the relevant date** i.e. 25<sup>th</sup> February, 2021:

Week (representing two weeks from the relevant date)	From	To	Weekly high of volume weighted average price (Rs.)	Weekly low of volume weighted average price (Rs.)	Average Price (Rs.)
1	11-02-2021	17-02-2021	20.73	19.54	20.14
2	18-02-2021	24-02-2021	19.25	18.97	19.11
<b>Average Price</b>					<b>19.62</b>

Minimum issue price is Rs. 19.62

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