

Statutory Auditor's Certificate on the proposed preferential issue of equity shares in accordance with Regulation 164A(8) of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended)

The Board of Directors
TIL Limited
1, Taratolla Road,
Garden Reach
Kolkata 700024

Dear Sir/Madam

1. In terms 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 to as the "SEBI ICDR Regulations"), TIL Limited (the "Company") has proposed to issue equity shares on preferential basis to Indocrest Defense Solutions Private Limited ('Investor'). The management of the Company vide their request letter dated 24th November, 2022 has requested us to certify the compliances of all conditions as specified in sub-regulations (1) to (5) of Regulation 164A of SEBI ICDR Regulations pursuant to the requirements of Regulation 164A (8) of SEBI ICDR Regulations.
2. The accompanying Statement titled "Annexure A – Statement of Computation of Minimum Price for the Proposed Preferential Issue" (hereinafter referred to as "Annexure A") has been prepared by the management and initialed by us for identification purposes only.

Management's Responsibility

3. The Management of the Company is responsible for ensuring that the Company complies with the applicable requirements of the SEBI ICDR Regulations and the applicable provisions of the Companies Act, 2013 with respect to proposed issue of Equity Shares on preferential basis.
4. The preparation of the accompanying Statement is the responsibility of the Management of the Company. The management is also responsible for the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to compliance of SEBI ICDR Regulations and other applicable rules/regulations. The management is also responsible for providing all the relevant information to SEBI and/or BSE Limited (BSE)/ National Stock Exchange of India Limited (NSE).

Auditor's Responsibility

5. Pursuant to the requirements of the SEBI ICDR Regulations, it is our responsibility to provide a reasonable assurance in the form of an opinion; whether the proposed preferential issue of 74,96,592 Equity Shares of Rs. 10 each is being made in accordance with the conditions & disclosure requirements as prescribed under sub-regulations (1) to (5) of Regulation 164A of SEBI ICDR Regulations.



6. We have conducted our examination of the compliance of sub-regulations (1) to (5) of Regulation 164A of SEBI ICDR Regulations relating to the proposed preferential issue in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
7. In addition to the foregoing, our scope of work did not include verification of compliance with other requirements of the SEBI ICDR Regulations, the Companies Act, 2013, 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 did not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any of the financial information's or the financial statements of the Company taken as a whole. Accordingly, we do not express such an opinion.
8. We have complied with the relevant applicable requirement of the Standard of Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the SEBI ICDR Regulations as specified in Para 5 above. Our obligation in respect of this certificate is entirely separate from, and our responsibilities and liabilities are no way changed by any other role we may have (or may had) as the Auditors of the Company or otherwise. Nothing in this certificate nor anything said or done during or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as Auditors of the Company.
10. A reasonable assurance engagement includes performing procedures to obtain sufficient appropriate audit evidence on the reporting criteria mentioned in paragraph 1 above. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated with the reporting criteria. Accordingly, we have performed the following procedures in relation to the proposed preferential issue including the Statement:
 - i. We have been informed by the Company that the relevant date for the proposed Preferential Issue of Equity Shares to the Investor is 23rd November, 2022 and verified the same from the notice of the Extraordinary General Meeting (EGM);
 - ii. The price per equity shares to be issued is not less than Rs. 92.40 (including a premium of Rs. 82.40 per share) i.e., the price of 10 trading days volume weighted average price of the Company's Equity Shares quoted on NSE preceding the relevant date i.e. 23rd November, 2022, calculated in accordance with Regulation 164A of the SEBI ICDR Regulations, based on quoted prices from NSE Limited (as obtained from the website nseindia.com), as included in the detailed calculation in Annexure A to this report. The price of NSE has been taken for determination of price as the trading volume of the Company is higher at NSE than BSE;
 - iii. The Company has disclosed the first instance of default in repayment of interest/ repayment of principal amount on loans from HDFC Bank in terms of SEBI Circular dated November 21, 2019 and such payment default is continuing for a period of at least 90 calendar days after the occurrence of such default. The Company has not disclosed subsequent defaults relating to the payment of interest/ repayment of principal amount on loans from other banks / financial institutions;



- iv. As represented to us, the Company has not entered into an inter-Creditor Agreement in terms of Reserve bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 dated June 07, 2019;
- v. We have obtained the credit rating of the Company by CARE Ratings vide their letter dated November 19, 2021 which states that the Credit Rating of the financial instruments, credit instruments/borrowings the Company is downgraded to "D";
- vi. We have been represented by the management of the Company and the Investor, based on which the preferential issue shall not be made to persons mentioned in Regulation 164A (3) (a) (i) to (vii) of SEBI ICDR Regulations and the Investor is not part of the promoter or promoter group as on the date of the board meeting to consider the proposed preferential issue;
- vii. We have obtained the certified copy of the notice of EGM of the Company for proposed preferential issue which specifies that the votes cast by the shareholders in the public category in favour of the proposal shall be more than the number of votes cast against it;
- viii. We have been represented that the proceeds of proposed preferential issue shall not be used for any repayment of loans taken from promoters/promoter group/group companies. The proposed use of proceeds is disclosed in the explanatory statement of the Notice of the said EGM for proposed preferential issue; and
- ix. Performed necessary inquiries with the management and obtained necessary representation from management.

Opinion

11. Based on the procedures performed by us as above and the information and explanations provided to us by the management of the Company, in our opinion, the proposed preferential issue is/will be in compliance with all the conditions as specified in sub-regulations (1) to (5) of Regulation 164A of SEBI ICDR Regulations at the time of dispatch of notice of EGM for passing the special resolution and at the time of allotment except that the Company has only disclosed the first instance of default in repayment of interest/ repayment of principal amount on loans from HDFC Bank in terms of SEBI Circular dated November 21, 2019 and such payment default is continuing for a period of at least 90 calendar days after the occurrence of such default and not disclosed subsequent defaults relating to the payment of interest/ repayment of principal amount on loans from other banks / financial institutions.



Restriction on Use

12. This certificate is intended solely for the use of the management of the Company for the purpose of placing before Extraordinary General Meeting of shareholders/making it available for inspection by shareholders and/or submission to the BSE Limited and/or National Stock Exchange of India Limited in connection with the proposed preferential issue of equity shares under Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, 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 written consent in writing. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.



Singhi & Co.
Chartered Accountants
Firm Registration No 302049E

Rajiv Singh

(Rajiv Singhi)
Partner

Membership No. 053518
UDIN: 22053518BE17EM1192

Place: Kolkata

Date: 26th November, 2022

Annexure A

Statement of Computation of Minimum Price for the proposed Preferential Issue

Relevant Date: 23rd November, 2022

Determination of Price in terms of regulation 164A of SEBI (issue of Capital and Disclosure Requirements) Regulations, 2018

Date	VWAP (Rs.)	Volume (Units)	Value (Rs.)
09-Nov-22	102.14	1,386	1,41,566
10-Nov-22	101.73	2,140	2,17,702
11-Nov-22	101.21	3,536	3,57,879
14-Nov-22	96.19	15,418	14,83,057
15-Nov-22	90.91	18,114	16,46,744
16-Nov-22	86.05	13,459	11,58,147
17-Nov-22	83.47	26,403	22,03,858
18-Nov-22	93.05	1,457	1,35,574
21-Nov-22	96.57	7,904	7,63,289
22-Nov-22	101.88	20,155	20,53,391
Total		1,09,972	1,01,61,208

10 days volume weighted average price: Rs. 92.40 per share

Notes:

1. Price determined by SSPA & Co., an independent registered valuer, by their report dated November 25, 2022 is (-) Rs. 168.37 per share.
2. The Articles of Association of the Company does not provide for a method of determination of price.
3. The shares are frequently traded as per SEBI ICDR Regulations.
4. The price of NSE has been taken for determination of price as the trading volume of the Company is higher at NSE than BSE.

