

# CHATURVEDI & CO.

CHARTERED ACCOUNTANTS

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H.O Kolkata Branches at Delhi, Mumbai, Chennai, Lucknow

ANNI

To,

**The Board of Directors  
Simplex Infrastructures Limited  
27, Shakespeare Sarani  
Kolkata-700017**

Dear Sirs,

**Subject:** Statutory Auditor's Certificate on Proposed Preferential Issue 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 ("SEBI Regulations")

- 1) This Certificate is issued in accordance with the terms of our engagement letter dated 9<sup>th</sup> April, 2022.
- 2) The Board of Directors of Simplex Infrastructures Limited ("the Company") in its meeting held on 12<sup>th</sup> April, 2022 has considered and approved, subject to approval of shareholders and finalization of resolution plan pursuant to Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019 dated 7<sup>th</sup> June, 2019, preferential issue to an eligible investor, (hereinafter referred to as "the subscriber") and consequent change in Management/ Board of Directors / control of the Company.
- 3) This Certificate is for compliance preferential issue to the Subscriber 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 proposed to convene an Extraordinary General Meeting ("EGM") on Thursday, 12<sup>th</sup> May, 2022 which inter-alia includes approval of issue of equity shares and convertible warrants to the Subscriber.
- 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" (hereinafter referred to as "Annexure A").

## **Management's Responsibility**

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 to the Subscriber, 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 to the Subscriber by the Company.

## **Auditor's Responsibility**

- 1) 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 to the new investor by the Company



- 2) 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.
- 3) 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.
- 4) We have examined the compliance with the requirement of Chapter V of the Regulations relating to the Proposed Preferential Issue to the Subscriber in the following manner:
- a) The Company has informed us that the relevant date for the proposed Preferential Issue to the Subscriber is 12th April, 2022
- b) The price per securities to be issued in the form of Equity Shares and convertible warrants shall not be less than Rs. 56.60 (including a premium of Rs. 54.60 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. 12<sup>th</sup> April, 2022, calculated in accordance with Regulation 164A of the SEBI 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
- c) Based on the information and documents received from the Company:
- (i) The Company has disclosed all the defaults relating to the payment of interest/ repayment of principal amount on loans from banks/ financial institutions/ listed debt securities 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;
- (ii) The Company has an Inter- Creditor Agreement in terms of Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019 dated 7<sup>th</sup> June, 2019;
- (iii) The Credit Rating of the Listed Financial Instruments /credit instruments/borrowings of the Company has been downgraded to "D";
- (iv) The preferential issue is being made to a person not part of the promoter or promoter group as on the date of the board meeting where preferential issue was considered;
- (v) The preferential issue shall not be made to the persons mentioned in 164A(3) (a)(i)-(vii) of SEBI Regulations
- (vi) The notice of EGM of the Company for preferential issue and exemption from open offer provides 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.
- (vii) The proceeds of 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 EGM for preferential issue.



- 5) 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 Preferential Issue to the Subscriber. We have relied upon this.
- 6) 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.
- 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.

### Opinion

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 to the Subscriber, the Company is/ will be 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.

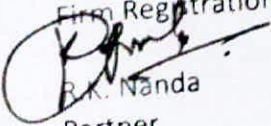
### Restrictions on Use

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 Stock Exchanges, where the shares of the Company are listed, in connection with the said preferential issue under Chapter V of the SEBI 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 Chaturvedi & Co

Chartered Accountants

Firm Registration No. 302137E

  
R.K. Nanda

Partner

Membership No. 510574

UDIN : 22510574A9XUMW5032



Place: Kolkata

Date: 12<sup>th</sup> April, 2022

**Statement of Computataion of Minimum Price for the proposed Prefrential Issue**

Relevant date 12/04/2022

Determination of Price in terms of Regulation 164A of SEBI (Issue of Capital and Disclosure Requirments) Regulations, 2018

Date	vwap	VOLUME	VALUE
11-Apr-22	66.9	102797	68,77,119.30
08-Apr-22	63.33	2106004	13,33,77,822.80
07-Apr-22	60.75	196847	1,19,58,455.25
06-Apr-22	57.9	88352	51,15,580.80
05-Apr-22	55.15	94667	52,20,885.05
04-Apr-22	52.55	90980	47,80,999.00
01-Apr-22	50.05	89431	44,76,021.55
31-Mar-22	47.7	100939	48,14,790.30
30-Mar-22	45.11	512809	2,31,33,223.40
29-Mar-22	42.54	590867	2,51,37,655.05
<b>Total</b>		3973693	22,48,92,552.50
			<b>56.5953516</b>
			<b>56.60</b>

**10 trading days volume weighted average price**

Note: The price of NSE has been taken for determination of price as the trading volume of the Company is higher at NSE than BSE

