

R & D

COMPANY SECRETARIES

Certificate on compliance with the conditions of proposed preferential allotment of equity shares by Servotech Power Systems Limited in accordance with Chapter V of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018

To

The Board of Directors

Servotech Power Systems Limited

Address: 806, 8th Floor, Crown Heights, Hotel Crown Plaza
Sector-10, Rohini, New Delhi-110085

1. This certificate is issued in accordance with the terms of our engagement letter dated 1st February, 2022 with Servotech Power Systems Limited ('the Company').
2. The accompanying statement on the compliance with the conditions of proposed preferential allotment of equity shares by Servotech Power Systems Limited in terms of Chapter V of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (the 'Statement') containing details of proposed preferential issue of equity shares (the 'specified securities') on a private placement basis as approved by the Board of directors of the Company in its meeting dated 1st February, 2022 (hereinafter 'proposed preferential issue') and confirming compliance with the conditions of the proposed preferential issue in accordance with Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (the 'ICDR Regulations') to the extent applicable, has been prepared by the Company's management in order to place this certificate before the shareholders in the general meeting considering aforesaid proposed preferential issue, as required by sub-regulation 2 of regulation 163 of the ICDR Regulations. We have initialled the Statement for identification purposes only.

Management's Responsibility for the Statement

3. The preparation of the Statement including preparation and maintenance of all accounting and other relevant supporting records and documents, is the sole responsibility of the management of the Company. This responsibility includes design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Statement, applying appropriate basis of preparation and making estimates that are reasonable in the circumstances.
4. The management is also responsible for ensuring that the Company complies with all the regulatory requirements, as applicable, for the purpose of furnishing the accompanying Statement and for providing all relevant information to the shareholders of the Company and National Stock Exchange of India Ltd ('the Stock exchange'). In addition, the management is responsible for ensuring that the Company complies with the ICDR Regulations, including the below requirements:

Compliance with the requirements of the ICDR Regulations.



- ii. Determination of 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.
- iii. Determination of the minimum price of the proposed preferential issue in accordance with Regulation 164 of the ICDR Regulations being higher of:
 - a. the average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the 90 trading days preceding the relevant date; or
 - b. the average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date.

Our Responsibility

5. Pursuant to the requirements of 163(2) of Part III of chapter V of the ICDR Regulations, it is our responsibility to express limited assurance in the form of a conclusion as to whether anything has come to our attention that causes us to believe that the proposed preferential issue, the details of which are included in the accompanying Statement, is not in accordance with the requirements of Chapter V of the ICDR Regulations, to the extent applicable to such proposed preferential issue.
6. We conducted our examination of the Statement in accordance with the Guidance Manual on Quality of Audit and Attestation Services read in conjunction with the requirements of the Company Secretaries Act, 1980 Regulations made thereunder, the Code of Conduct and other relevant guidelines of the Institute.
7. We have complied with the relevant applicable requirements of the Quality Control to provide it with reasonable assurance that (a) our firm and its personnel comply with the technical/professional standards and applicable legal and regulatory requirements; and (b) this reports is issued is appropriate in the circumstances.
8. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. The procedures selected depend on the firm's judgement, including the assessment of the areas where a material misstatement of the subject matter information is likely to arise. Accordingly, we have performed the following procedures in relation to the Statement:

- i) With respect to conditions specified in Regulation 159 and 160 of the SEBI Regulations, we have performed the following procedures to confirm the compliance with required conditions:



- Noted the relevant date, being the date thirty days prior to the date on which the meeting of the shareholders is held to consider the proposed preferential issue;
 - Verified that the Company has obtained requisite undertaking from the proposed allottee to ensure that they have not sold or transferred any equity shares of the Company during the 90 trading days preceding the relevant date of 2nd February, 2022;
 - Examined that the Notice issued and confirmed that the preferential issue of equity shares of the Company shall be made fully paid up at the time of allotment;
 - Examined that the Notice issued and confirmed that the special resolution for proposed preferential issue of equity shares of the Company is included in the same;
 - Obtained and read the certified copy of the resolution passed at the meeting of the Board of Directors held on 1st February, 2022 in respect of the proposed preferential issue;
 - Obtained the calculation of minimum price of Equity Shares as given in the accompanying Statement for the proposed preferential issue calculated in accordance with pricing formula given in 4(iii) above and verified the arithmetical accuracy of the same;
 - Conducted relevant inquiries and obtained the necessary representations from the management of the Company.
- ii) Read the notice issued for the proposed general meeting for considering the proposed preferential issue and verified that the following disclosures have been made in accordance with Regulation 163(1) of the SEBI Regulations therein:
- the objects of the preferential issue;
 - the maximum number of equity shares to be issued;
 - the intent of the promoters, directors or key managerial personnel of the issuer to subscribe to the offer;
 - the shareholding pattern of the issuer before and after the preferential issue;
 - the time frame within which the preferential issue shall be completed;
 - the undertaking that the issuer shall re-compute the price of the equity shares in terms of the provision of Regulation 164(1) of the SEBI Regulations where it is required to do so;
- iii) With respect to the compliance with minimum price for preferential issue in accordance with Regulation 164(1) of the SEBI Regulations, we have obtained the calculation of minimum price of Equity Shares as given in the accompanying Statement for the proposed preferential issue calculated in accordance with pricing formula given in 4(iii) above and



verified the mathematical accuracy of the same and further noted that the issue price is not less than the minimum price.

Conclusion

9. Based on our examination and the information and explanations given to us, along with representations provided by the Management, nothing has come to our attention that causes us to believe that the proposed preferential issue, the details of which are included in the accompanying Statement, is not in accordance with the requirements of Chapter V of the ICDR Regulations, to the extent applicable to such proposed preferential issue, except that the special resolution required for approval of shareholders for proposed preferential issue is yet to be obtained as per the ICDR Regulations.

Restriction on distribution or use

10. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the requirements as stated in paragraph 2 above. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability are in no way changed by, any other role we may have as Secretarial 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 the subject of this certificate, will extend any duty of care we may have in our capacity as Secretarial Auditors of the Company.
11. The certificate is addressed to and provided to the Board of Directors of the Company solely enabling it to comply with the requirements mentioned in paragraph 2 above which inter alia, requires to place it before general meeting of the shareholders considering the proposed preferential issue and therefore should not be used, referred to or distributed for any other purpose or to any other party 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 party to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **R & D**
Company Secretaries



Debabrata Deb Nath
FCS:7775; CP:8612
Partner
Peer Review Certificate No.1403/2021
UDIN: F007775C002456727

Date: 07.02.2022
Place: Delhi