

Lovelock & Lewes

Chartered Accountants

Auditors' Certificate

The Board of Directors,
McNally Bharat Engineering Company Limited
4 Mango Lane
Kolkata- 700001

- 1) This certificate is issued in accordance with the terms of our agreement dated April 5, 2016.
- 2) We, the statutory auditors of McNally Bharat Engineering Company Limited, (hereinafter referred to as "the Company"), have examined the proposed accounting treatment specified in clause 11 of the Draft Scheme of Amalgamation of EMC Limited, McNally Bharat Engineering Company Limited and McNally Sayaji Engineering Limited with Kilburn Engineering Limited and their respective shareholders, as approved by the Board of Directors in their meeting held on March 31, 2016, in terms of the provisions of sections 391 to 394 of the Companies Act, 1956 ('the Draft Scheme') with reference to its compliance with the applicable Accounting Standards specified under Section 133 of the Companies Act 2013 (the '2013 Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 (the 'applicable Accounting Standards') and other generally accepted accounting principles.

Management's Responsibility

- 3) The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards and other generally accepted accounting principles as aforesaid, is that of the Board of Directors of the Companies involved.

Auditors' Responsibility

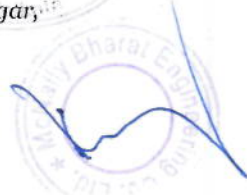
- 4) Our responsibility is only to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and other generally accepted accounting principles.
- 5) We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Conclusion

- 6) Based on our examination and according to the information and explanations given to us, pursuant to the requirements of paragraph 5 of circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015 issued under Regulation 37(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we confirm that:
 - (a) the accounting treatment contained in the aforesaid scheme under clause 11 of the Scheme is in compliance with all the applicable Accounting Standards specified under Section 133 of the 2013 Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other generally accepted accounting principles.
 - (b) the creation, amount and application of the securities premium account as proposed in the scheme is in accordance with the provisions of Section 52 of the Companies Act, 2013 and consequently is outside the scope of the applicable Accounting Standards and other generally accepted accounting principles.

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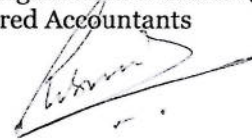
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Restriction on Use

- 7) 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 we may have in our capacity of the statutory auditors of any financial statements of the Company.
- 8) This Certificate is issued at the request of Company pursuant to the requirements of circulars issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the National Stock Exchange Limited and Bombay Stock Exchange Limited. This Certificate should not be used for any other purpose without our prior written consent.

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants



Prabal Kr. Sarkar
Partner
Membership Number: 52340

Place: Kolkata
Date: April 18, 2016

