

No. CARE/HO/GEN/2026-27/1069

The Board of Directors
Knowledge Marine and Engineering Works Limited
Unit No. 706-707
The Epicentre, W.T. Patil Marg,
Off Eastern Freeway, Near Shivaji Chowk,
BEST Colony, Chembur,
Mumbai - 400071

May 15, 2026

Dear Ma'am,

Monitoring Agency Report for the quarter ended March 31, 2026 - in relation to the preferential issue of equity shares and convertible equity share warrants of Knowledge Marine & Engineering Works Limited ("the Company")

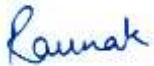
We write in our capacity of Monitoring Agency for Preferential Issue of equity shares and convertible equity share warrants for the amount aggregating to Rs. 284.81 crore of the Company and refer to our duties cast under Regulation 162A of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended March 31, 2026, as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated December 10, 2025.

Request you to kindly take the same on records.

Thanking you,

Yours faithfully,

A handwritten signature in blue ink that reads "Raunak".

Raunak Modi
Assistant Director
Raunak.Modi@careedge.in

Report of the Monitoring Agency

Name of the issuer: Knowledge Marine and Engineering Works Limited

For quarter ended: March 31, 2026

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: Nil

(b) Range of Deviation: N.A.

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The Monitoring Agency (MA) does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.



Signature:

Name and designation of the Authorized Signatory: Raunak Modi

Designation of Authorized person/Signing Authority: Assistant Director

1) Issuer Details:

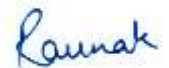
Name of the issuer : Knowledge Marine & Engineering Works Limited
Name of the promoter : Kanak Sujay Kewalramani, Saurabh Mukesh Daswani, Pinkesh Pritam Kewalramani, Dinesh Mohanlal Kewalramani, Sujay Mohanlal Kewalramani, Pankaj Gurbani, Bharti Mukesh Daswani,
Industry/sector to which it belongs : Engineering Services – Dredging

2) Issue Details

Issue Period : Not applicable
Type of issue (public/rights) : Preferential Issue
Type of specified securities : Equity shares (14,21,054) and Convertible equity share warrants (77,946)
IPO Grading, if any : Not applicable
Issue size (in crore) : Rs. 284.81 crore

3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	CA Certificate*, Management Certificate, Letter of Offer	All funds utilised in Q4 FY26 are as per the disclosures in the offer document. The board has, vide resolution dated February 12, 2026, authorised the Managing Director or Chief Financial Officer to utilise the funds raised under the preferential issue as per the object clause specified in the offer document. The MA has received confirmation from the Chief Financial Officer that all funds utilised in the quarter have been duly approved. The company has transferred the issue proceeds from the MA account to the current account and cash credit account for further utilisation. Such accounts also contain multiple other transactions, resulting in commingling of funds.	No comments
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Not applicable	CA certificate*, Management Certificate	Nil	No comments



Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether the means of finance for the disclosed objects of the issue have changed?	No	CA certificate*, Management Certificate	Nil	No comments
Is there any major deviation observed over the earlier monitoring agency reports?	No	Previous MA report dated February 12, 2026	No major deviation observed over the earlier MA report	No comments
Whether all Government/statutory approvals related to the object(s) have been obtained?	Not applicable	CA certificate*, Management Certificate	Nil	No comments
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable	CA certificate*, Management Certificate	Nil	No comments
Are there any favorable/unfavorable events affecting the viability of these object(s)?	No	CA certificate*, Management Certificate	Nil	No comments
Is there any other relevant information that may materially affect the decision making of the investors?	No	CA certificate*, Management Certificate	Nil	No comments

*Chartered Accountant certificate from RSSA & Associates (FRN: 120109W) dated May 13, 2026, bearing UDIN: 26145765YYRPJB6260

#Where material deviation may be defined to mean:

a) Deviation in the objects or purposes for which the funds have been raised

b) Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

4) Details of objects to be monitored:

(i) Cost of objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) in Rs. Crore	Revised Cost in Rs. Crore	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of -firm arrangements made
1	Working capital requirements for ship building contracts and operating expenses	Letter of Offer, CA Certificate*, Management Declaration	30.81	-	Nil	No comments		
2	Capital expenditure for purchase of vessels/ships and construction of new vessels/ships	Letter of Offer, CA Certificate*, Management Declaration	183.00	-	Nil	No comments		
3	General Corporate Purpose	Letter of Offer, CA Certificate*, Management Declaration	71.00	-	Nil	No comments		
Total			284.81					

*Chartered Accountant certificate from RSSA & Associates (FRN: 120109W) dated May 13, 2026, bearing UDIN: 26145765YYRPJB6260

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(ii) Progress in the objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount Received (Rs. Crore)	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Amount yet to be received (Rs. Crore)	Comments of the Monitoring Agency	Comments of the Board of Directors	
					As at beginning of the quarter	During the quarter	At the end of the quarter				Reasons for idle funds	Proposed course of action
1	Working capital requirements for ship building contracts and operating expenses	Letter of Offer, CA Certificate*, Bank statements, invoices, board resolution dated February 12, 2026 and CFO confirmation	30.81	273.70	-	4.80	4.80	260.07	11.11	In Q4FY26, the company utilised funds towards vendor payments for ship building and operating expenses of the company. The same have been verified through bank statements and sample invoices. (Refer Note 1 and 2 below)	No comments	
2	Capital expenditure for purchase of vessels/ships and construction of new vessels/ships	Letter of Offer, CA Certificate*, Bank statements, invoices, board resolution dated February 12, 2026, CFO confirmation, contracts with vendors	183.00		-	8.83	8.83			In Q4FY26, the company has made advance payments worth Rs. 8.30 crore towards the ongoing capex of construction of new vessels/ships and Rs. 0.53 crore advance payment towards outright purchase of vessel/ship. The MA has verified the transactions through bank statements, invoices and ship building agreements. (Refer Note 1 and 2 below).	No comments	
3	General Corporate Purpose	Letter of Offer, CA Certificate*, Management Declaration	71.00		-	-	-			No utilization in Q4FY26.	No comments	
Total			284.81	273.70	-	13.63	13.63	260.07	11.11			

*Chartered Accountant certificate from RSSA & Associates (FRN: 120109W) dated May 13, 2026, bearing UDIN: 26145765YYRPJB6260

Note 1: The board has, vide resolution dated February 12, 2026, authorised the Managing Director or Chief Financial Officer to utilise the funds raised under the preferential issue as per the object clause specified in the offer document. The MA has received confirmation from the Chief Financial Officer that all funds utilised in the quarter have been duly approved.

Note 2: The company has transferred the issue proceeds from the MA account to the current account and cash credit account for further utilisation. Such accounts also contain multiple other transactions, resulting in commingling of funds.

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(iii) Deployment of unutilized proceeds:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested (Rs. Crore)	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter
A.	Fixed Deposits with Bandhan Bank	146.99				
1.	FD-82000122155730/1	2.99	05-12-2027	-	7.20	
2.	FD-82000122163917/1	30.00	06-12-2026	-	7.10	
3.	FD-82000122163982/1	25.00	06-12-2026	-	7.10	
4.	FD-82000122221307/1	25.00	06-12-2026	-	7.10	
5.	FD-82000122164031/1	15.00	06-12-2026	-	7.10	
6.	FD-82000122164067/1	15.00	06-12-2026	-	7.10	
7.	FD-82000122221385/1	14.00	06-12-2026	-	7.10	
8.	FD-82000122221398/1	10.00	06-12-2026	-	7.10	
9.	FD-82000122164156/1	10.00	06-12-2026	-	7.10	
B.	Fixed Deposits with Yes Bank	74.69				
1.	FD-000140600179211	14.69	03-12-2026		6.75	
2.	FD-000140600179191	30	03-12-2026		6.75	
3.	FD-000140600179201	30	03-12-2026		6.75	
C.	Fixed Deposits with HDFC Bank (50301279238172)	39.00	15-01-2027		6.22	
	Total Fixed Deposits	260.68				
	Less: Accrued Interest on FDs	0.62				
	Total unutilized funds	260.07				

Verified with fixed deposit receipts and Chartered Accountant certificate from RSSA & Associates (FRN: 120109W) dated May 13, 2026, bearing UDIN: 26145765YYRPJB6260

(iv) Delay in implementation of the object(s) –

Objects	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the offer document	Actual		Reason of delay	Proposed course of action
Working Capital Requirements	Within 3 years from receipt of funds	Ongoing	Not applicable	No comments	
Capital expenditure for purchase and construction of vessels/ ships	Within 3 years from receipt of funds	Ongoing	Not applicable	No comments	
General Corporate Purpose	Within 3 years from receipt of funds	Ongoing	Not applicable	No comments	

Verified with Chartered Accountant certificate from RSSA & Associates (FRN: 120109W) dated May 13, 2026, bearing UDIN: 26145765YYRPJB6260

Note: The letter of offer specifies the timeline for implementation of the objects as 'within 3 years from receipt of funds'. The company received the funds in tranches from October 23, 2025 to October 28, 2025 and the timeline for implementation has been arrived at on a First-In-First-Out (FIFO) basis as under:

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Date of Receipt of funds	Amount Received (Rs. Crore)	Timeline for utilisation	Amount utilized till March 31, 2026 (Rs. Crore)
October 23, 2025	10.00	October 22, 2028	10.00
October 27, 2025	250.00	October 26, 2028	3.63
October 28, 2025	13.70	October 27, 2028	-
Yet to be received	11.11	Yet to be received	-
Total	284.81		13.63

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:

Sr. No	Item Head^	Amount in Rs. Crore	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Verified with Chartered Accountant certificate from RSSA & Associates (FRN: 120109W) dated May 13, 2026 bearing UDIN: 26145765YYRPJB6260

^ Section from the offer document related to GCP: N.A. as the offer document does not contain details about general corporate purposes.

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Disclaimers to MA report:

- a) This Report is prepared by CARE Ratings Ltd (hereinafter referred to as “**Monitoring Agency/MA**”). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.
- b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like internal auditor which is peer reviewed audit firm appointed by the Issuer believed by it to be accurate and reliable.
- c) Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.
- d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from internal auditor which is peer reviewed audit firm, lawyers, chartered engineers or other experts, and relies on in its reports.
- e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.

