

**Auditor's Certificate**

Date 17.12.2024

To,  
The Board of Directors  
Adarsh Nivaas Private Limited  
No. 2/4, Langford Garden,  
Richmond Town, Bengaluru - 560025,  
Karnataka, India.

**Independent Auditor's Report on the accounting treatment in the books of Adarsh Nivaas Private Limited as specified in the composite scheme of arrangement amongst Adarsh Ecstasy Projects Private Limited ("Transferor Company 1"), Adarsh Haven Private Limited ("Transferor Company 2"), Adarsh Realty And Hotels Private Limited ("Transferor Company 3"), Akarsha Prime Project Private Limited ("Transferor Company 4"), Akarshak Realty Private Limited ("Transferor Company 5"), Shivakar Developers Private Limited ("Transferor Company 6"), Shivakar Infra Private Limited ("Transferor Company 7"), Shreshta Apartments Private Limited ("Transferor Company 8"), Vismaya Builders And Developers Private Limited ("Transferor Company 9"), Vismaya Superprojects Private Limited ("Transferor Company 10"), Bangalore Best Realty Private Limited ("Transferor Company 11"), Adarsh Nest Private Limited ("Transferor Company 12"), Akarsha Realty Private Limited ("Transferor Company 13" or "Demerged Company 5"), Adarsh Nivaas Private Limited ("ANPL" or "Transferee Company 1" or "Demerged Company 1" or "Company"), Akarsh Residence Private Limited ("Demerged Company 2"), Shreshta Infra Projects Private Limited ("Demerged Company 3"), Alekhya Property Developments Private Limited ("Transferee Company 2" or "Resulting Company 1"), Varin Infra Projects Private Limited ("Transferee Company 3" or "Demerged Company 4" or ), Palm Meadows Club Private Limited ("Resulting Company 2") and Kalpak Superprojects Private Limited ("Resulting Company 3") and their respective shareholders under section 230 to 232 of the Companies Act, 2013 ("Act") and other applicable provisions of the Act ("Scheme") and SEBI Master Circular SEBI/HO/DDHS/DDHS-PoD- 1/P/CIR/2024/48 dated May 21, 2024, as amended from time to time ("SEBI Circular").**

1. In relation to the accounting treatment in the books of Adarsh Nivaas Private Limited as specified in the Scheme, we, the statutory auditors of the Company Certify that the proposed accounting treatment specified in "Para 8 to Part B" and "Para 9 to Part C" of the Scheme, the extract of which is reproduced under Appendix I of Annexure A is in conformity with the applicable Accounting Standards specified under Section 133 of the Act and other generally accepted accounting principles in India;
2. The responsibility for the preparation of the Scheme and compliance with relevant



laws and regulations, including applicable Accounting Standards as aforesaid, is that of the management/board of directors of the companies involved. Our responsibility is to examine and report whether the Scheme complies with the applicable Accounting Standards and other generally accepted accounting principles. 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. 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.

3. This Certificate is issued at the request of the management of the Company pursuant to the requirements of the SEBI Regulations for onward submission to the BSE Limited, SEBI and the National Company Law Tribunal ("NCLT") and any other regulatory authorities in relation to the Scheme. This certificate should not be used for any other purpose without our prior written consent.
4. This certificate should be read together with Annexures of even date attached herewith (Annexure A and Appendix I).

For and on behalf of  
For P D Sarang & Associates  
Chartered Accountants



Designation: Proprietor  
Date: 17.12.2024  
Firm Registration Number: 013423S  
Place: Bangalore  
UDIN: 24127268BKAHZI4236

**Enclosed:**

1. Annexure A: Independent Auditor's Certificate on the proposed accounting treatment in the books of Adarsh Nivaas Private Limited; and
2. Appendix I to Annexure A - Extract from the Scheme, Para 8 of Part B and Para 9 to Part C - Accounting treatment in the books of Adarsh Nivaas Private Limited.



## Annexure A to Auditor's Report

Date 17.12.2024

To,  
The Board of Directors  
Adarsh Nivaas Private Limited  
No. 2/4, Langford Garden,  
Richmond Town, Bengaluru - 560025,  
Karnataka, India.

Independent Auditor's Report on the accounting treatment in the books of Adarsh Nivaas Private Limited as specified in the composite scheme of arrangement amongst Adarsh Ecstasy Projects Private Limited ("Transferor Company 1"), Adarsh Haven Private Limited ("Transferor Company 2"), Adarsh Realty And Hotels Private Limited ("Transferor Company 3"), Akarsha Prime Project Private Limited ("Transferor Company 4"), Akarshak Realty Private Limited ("Transferor Company 5"), Shivakar Developers Private Limited ("Transferor Company 6"), Shivakar Infra Private Limited ("Transferor Company 7"), Shreshta Apartments Private Limited ("Transferor Company 8"), Vismaya Builders And Developers Private Limited ("Transferor Company 9"), Vismaya Superprojects Private Limited ("Transferor Company 10"), Bangalore Best Realty Private Limited ("Transferor Company 11"), Adarsh Nest Private Limited ("Transferor Company 12"), Akarsha Realty Private Limited ("Transferor Company 13" or "Demerged Company 5"), Adarsh Nivaas Private Limited ("ANPL" or "Transferee Company 1" or "Demerged Company 1" or "Company"), Akarsh Residence Private Limited ("Demerged Company 2"), Shreshta Infra Projects Private Limited ("Demerged Company 3"), Alekhya Property Developments Private Limited ("Transferee Company 2" or "Resulting Company 1"), Varin Infra Projects Private Limited ("Transferee Company 3" or "Demerged Company 4" or ), Palm Meadows Club Private Limited ("Resulting Company 2") and Kalpak Superprojects Private Limited ("Resulting Company 3") and their respective shareholders under section 230 to 232 of the Companies Act, 2013 ("Act") and other applicable provisions of the Act ("Scheme") and SEBI Master Circular SEBI/HO/DDHS/DDHS-PoD- 1/P/CIR/2024/48 dated May 21, 2024, as amended from time to time ("SEBI Circular").

1. This report is issued in accordance with the terms of our engagement letter dated [•].
2. We have been requested by the management of Adarsh Nivaas Private Limited, to issue a certificate in relation to the proposed accounting treatment as specified in "Para 8 of Part B" and "Para 9 to Part C" of the Scheme which among other, includes the following arrangements:
  - a. Transfer by way of amalgamation of Transferor Company 11 with and into the Company in pursuant to Part B and other terms and conditions of the Scheme; and



- b. Transfer by way of demerger of Demerged Undertaking 1 (as defined in the Scheme) of the Company with and into Resulting Company 1 pursuant to Part C and other terms and conditions of the Scheme

with reference to their compliance with the applicable Accounting Standards prescribed under Section 133 of the Act read with relevant Rules issued thereunder and other generally accepted accounting principles in India.

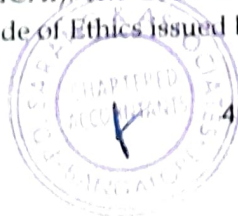
3. The Scheme is subject to the approval of the requisite majority of shareholders, creditors of the Company and the National Company Law Tribunal ("NCLT"), SEBI, Stock exchange and other statutory and regulatory authorities, as applicable. The appointed date for the purpose of this Scheme is 1<sup>st</sup> April 2024.

#### Management's Responsibility

4. The preparation of the Scheme as reproduced in the Appendix I and its compliance with the relevant provision of the Act, and regulations, including the applicable Accounting Standards read with the Rules made, issued thereunder and other generally accepted accounting principles in India is the responsibility of the management of the companies involved, including the preparation and maintenance of all accounting and other relevant supporting records and documents.
5. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Scheme as reproduced in Appendix I and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
6. The Company's management is also responsible for ensuring that the Company complies with the requirements of Act and providing all relevant information with respect to the Scheme to the NCLT.

#### Auditor's responsibility

7. Pursuant to the requirements of provisions of Section 232 of the Act, our responsibility is to provide a reasonable assurance whether the proposed accounting treatment specified in "Para 8 of Part B and Para 9 to Part C" of the Scheme and as reproduced in Appendix I to this certificate is in conformity with the applicable Accounting Standards prescribed under Section 133 of the Act read with the rules issued thereunder and other generally accepted accounting principles in India.
8. We conducted our examination of the proposed accounting treatment referred to in "Para 8 of Part B and Para 9 to Part C" of the Scheme and reproduced under Appendix I to this certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the Guidance Note), issued by the Institute of Chartered Accountants of India (ICAI). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.



9. 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

10. As per section 232(6) of the Act, the Scheme has to provide for the appointed date from which the Scheme shall be deemed to be effective. The Company has accordingly proposed the appointed as date as 1<sup>st</sup> April 2024.
11. Based on our examination and according to the information and explanations given to us and appropriate representations obtained from the Company, the proposed accounting treatment referred to in "Para 8 of Part B and Para 9 to Part C" of the Scheme and as reproduced in Appendix I to this certificate, initialed and stamped by us for the purposes of identification only, is in conformity with the applicable Accounting Standards prescribed under Section 133 of the Act and other generally accepted accounting principles in India.

### Restriction of use

12. This Certificate is issued at the request of the management of the Company solely for the purpose of onward submission to the NCLT and any other regulatory authority in relation to the Scheme pursuant to the requirements of Sections 230 to 232 of the Act read with relevant rules issued thereunder. Our certificate should not be used by other person or for any other purpose.
13. 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 and on behalf of  
For P D Sarang & Associates  
Chartered Accountants

  
Designation: Proprietor

Date: 17.12.2024

Firm Registration Number: 013423S

Place: Bangalore

UDIN: 24127268BKAHZI4236



Appendix I - Extract of "Accounting treatment" as per Para 8 to Part B and Para 9 to Part C of the Scheme

Appendix I - Extract of "Accounting treatment" as per Para 8 to Part B and Para 9 to Part C of the Scheme

Para 8 to Part B of the Scheme

8. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY 1

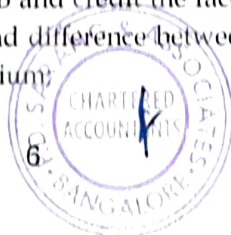
8.1. Upon this Scheme coming into effect and with effect from the Appointed Date, the Transferee Company 1 shall account for the amalgamation of the Transferor Company 11 into the Transferee Company 1 in its books of account as per the Pooling of Interest Method prescribed under Accounting Standard 14 - "Accounting for Amalgamations" as specified under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India in the following manner:

8.1.1. All the assets, liabilities and reserves recorded in the books of account of the Transferor Company 11 shall be recorded by Transferee Company 1 at their respective book values thereof and in the same form as appearing in the books of account of the Transferor Company 11 subject to Clause 8.1.3 and 8.1.5 of Part B;

8.1.2. The identity of the reserves (including share or securities premium) pertaining to the Transferor Company 11 shall be preserved and shall appear in the merged financial statements of the Transferee Company 1 in the same form and manner in which they appeared in the financial statements of the Transferor Company 11, prior to this Scheme coming into effect, and it shall be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company 1, as on the Appointed Date. Accordingly, prior to this Scheme coming into effect, reserves, if any, in the financial statements of Transferor Company 11 available for distribution as dividend, the same would also be available in the financial statements of Transferee Company 1 for distribution as dividend on and after the Effective Date;

8.1.3. In case of differences, if any, in accounting policies or accounting treatment/ classification of the assets, liabilities and reserves between the Transferor Company 11 and the Transferee Company 1, the accounting policies or accounting treatment/ classification followed or deemed appropriate by the Transferee Company 1, basis the business objective and intent of the Transferee Company 1, shall prevail to ensure harmonization in the accounting policies or accounting treatment/ classification so that the financial statements of the Transferee Company 1 reflect the financial position on the basis of consistent accounting policies or accounting treatment/ classification;

8.1.4. Transferee Company 1 shall issue and allot equity shares at its fair value in accordance with Clause 6 of Part B and credit the face value of such equity shares to its equity share capital account and difference between the fair value and face value of equity shares as securities premium;



8.1.5. To the extent there are inter-corporate loans or advances or dues or balances between the Transferor Company 11 and the Transferee Company 1, the obligations in respect thereof shall come to an end and shall stand cancelled without any further act or deed, upon the Scheme coming into effect and corresponding effect shall be given in the books of account and records of the Transferee Company 1 for the reduction of any assets or liabilities, as the case may be. Further, investment in the equity share capital of Transferor Company 11, as appearing in the books of account of the Transferee Company 1, shall stand cancelled and there shall be no further obligation/ outstanding in that behalf; and

8.1.6. The surplus or deficit, if any, of the net value of assets, liabilities and reserves of the Transferor Company 11 acquired and recorded by the Transferee Company 1 over the fair value of equity shares issued by the Transferee Company 1, after considering the adjustments made under Clauses 8.1.3 and 8.1.5 of Part B, shall be adjusted to the reserves of the Transferee Company 1.

#### Para 9 to Part C of the Scheme

### 9. ACCOUNTING TREATMENT FOR DEMERGER IN THE BOOKS DEMERGED COMPANY 1, DEMERGED COMPANY 2 AND DEMERGED COMPANY 3

9.1. Upon the coming into effect of the Scheme, and with effect from the Appointed Date, but after the Amalgamation 1 has been given effect to in terms of Part B of this Scheme, Demerged Company 1 and Demerged Company 2 shall account for the Scheme in its books of account in accordance with the accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India in the following manner:

9.1.1. Demerged Company 1 and Demerged Company 2 shall transfer all assets, liabilities and reserves pertaining to the Demerged Undertaking 1 and Demerged Undertaking 2 at the values appearing in the books of accounts of Demerged Company 1 and Demerged Company 2, respectively; and

9.1.2. The difference between the book value of assets, liabilities and reserves derecognized as per clause 9.1.1 of Part C shall be recognized in the statement of profit and loss account if such difference is positive otherwise, shall be recorded as capital reserve in the books of account of Demerged Company 1 and Demerged Company 2, respectively.

