

**Independent Auditor's Certificate to confirm that the proposed accounting treatment in the Draft Scheme of Arrangement is in conformity with accounting standards prescribed under Section 133 of the Companies Act, 2013 pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder**

To,  
The Board of Directors,  
Allcargo Logistics Limited  
6th Floor, Allcargo House,  
CST Road, Kalina, Santacruz (East),  
Mumbai - 400098

1. We, the statutory auditors of Allcargo Logistics Limited (hereinafter referred to as the "Demerged Company" or "Company"), have examined the proposed accounting treatment specified in clause 14.1 and clause 24.1 of the Draft Scheme of Arrangement (the "Draft Scheme") between the Company and Allcargo Supply Chain Private Limited ("Transferor Company 1") and Gati Express and Supply Chain Private Limited ("Transferor Company 2") and Allcargo Gati Limited ("Transferor Company 3" or "Transferee Company 1") and Allcargo Ecu Limited ("Resulting Company") and their respective shareholders in terms of the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act") with reference to its compliance with the applicable Accounting Standards notified under Section 133 of the Act, relevant rules thereunder and Other Generally Accepted Accounting Principles in India ("collectively referred to as the applicable Accounting Standards"), read with General Circular No 09/2019 issued by the Ministry of Corporate Affairs dated August 21, 2019 ("MCA Circular").
2. The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the companies involved. Our responsibility is to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles read with MCA Circular. 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. Read with Para 2 above and Emphasis of matter paragraph in Annexure A to this certificate and based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in clause 14.1 and clause 24.1 of the aforesaid Draft Scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable Accounting Standards notified by the Central Government under Section 133 of the Companies Act, 2013, relevant rules thereunder and Other Generally Accepted Accounting Principles read with MCA circular.

# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

Allcargo Logistics Limited

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4. This Certificate is issued at the request of the Company's Management pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the Bombay Stock Exchange ("BSE"), National Stock Exchange ("NSE"), National Company Law Tribunal ("NCLT") and any other regulatory authority in connection with the Draft Scheme.
5. This Certificate should be read together with Annexures attached herewith (Refer Annexure A and Annexure B).

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Aniket A Sohani

Partner

Membership Number: 117142

UDIN: 24117142BKDHXX2593

Mumbai

January 12, 2024

# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

Allcargo Logistics Limited

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## **Annexure A: Independent Auditor's Certificate on the accounting treatment in the draft scheme of arrangement under Sections 230 to 232 of the Companies Act, 2013, relevant rules thereunder and SEBI Master circular SEBI/HO/CFD/POD-2/P/CIR/2023/93**

To,

Allcargo Logistics Limited

6th Floor, Allcargo House,

CST Road, Kalina, Santacruz (East),

Mumbai - 400098

1. This Certificate is issued in accordance with the terms of our service scope letter dated November 01, 2023 and master engagement agreement dated November 09, 2022 with Allcargo Logistics Limited (hereinafter the "Company" or "Demerged Company") pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onwards submission to the Bombay Stock Exchange (BSE), National Stock Exchange (NSE), National Company Law Tribunal (NCLT) and other regulatory authorities in connection with the Draft Scheme of Arrangement as mentioned in paragraph 2 below.
2. We, S.R. Batliboi & Associates LLP, Chartered Accountants, are the Statutory Auditors of the Company and have been requested by the Management of the Company, to examine the proposed accounting treatment given in clause 14.1 and clause 24.1 of the attached Draft Scheme of Arrangement dated December 21, 2023 (the "Draft Scheme") between the Company and Allcargo Supply Chain Private Limited ("Transferor Company 1") and Gati Express and Supply Chain Private Limited ("Transferor Company 2") and Allcargo Gati Limited ("Transferor Company 3" or "Transferee Company 1") and Allcargo Ecu Limited ("Resulting Company") and their respective shareholders, in terms of the provisions of Sections 230 to 232 and all other applicable provisions of the Companies Act, 2013 ("the Act") and SEBI Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 ("SEBI Master Circular"), for compliance with the applicable accounting standards prescribed under section 133 of the Companies Act, 2013, relevant rules thereunder and other generally accepted accounting principles in India (collectively referred to as "applicable accounting standards"), read with General Circular No 09/2019 issued by the Ministry of Corporate Affairs dated August 21, 2019 ("MCA Circular"). The accounting treatment as prescribed in the Draft Scheme has been included in Annexure B which has been initialed by us for identification purposes only.

## **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

Allcargo Logistics Limited

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### **Management's Responsibility**

3. The preparation of the Draft Scheme is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Draft Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Draft Scheme has been approved by the Board of Directors.
4. The Management of the Company is also responsible for ensuring that the Company complies with the relevant laws and regulations, including the applicable accounting standards as aforesaid and circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also provides relevant information to the NCLT.

### **Auditor's Responsibility**

5. Pursuant to the requirements of Section 230 of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and SEBI Master Circular, our responsibility is to provide reasonable assurance in the form of an opinion on whether the proposed accounting treatment as contained in the Annexure B is in compliance with the applicable accounting standards read with MCA circular.
6. We audited the standalone and consolidated financial statements of the Company as of and for the financial year ended March 31, 2023, on which we issued an unmodified audit opinion vide our reports dated May 30, 2023. Our audits of these financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
7. We conducted our examination of Annexure B in accordance with the Guidance Note on Reports or Certificates for Special Purposes 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 Institute of Chartered Accountants of India.
8. 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.

# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

Allcargo Logistics Limited

Independent Auditor's certificate on Accounting Treatment

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9. Our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be to express an opinion on the specified elements, accounts or items thereof for the purpose of this certificate. Accordingly, we do not express such opinion. Further, our examination did not extend to any aspects of legal or propriety nature of the Draft Scheme and other compliances thereof. 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.
10. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 5 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the applicable criteria. Accordingly, our procedures included the following in relation to the Annexure B:
  - a. Obtained and read the Draft Scheme and the proposed accounting treatment in respect of the Company specified in clause 14.1 and clause 24.1 therein, as provided by the Company.
  - b. Obtained copy of resolution passed by the Board of Directors of the Company dated December 21, 2023 approving the Draft Scheme.
  - c. Examined whether the proposed accounting treatment as per clause 14.1 and clause 24.1 of the Draft Scheme is in compliance with the Applicable Accounting Standards, read with MCA circular.
  - d. Performed necessary inquiries with the management and obtained necessary representations from the management.

## **Opinion**

11. Based on our examination and according to the information and explanations given to us, read with paragraph 10 above, in our opinion, the proposed accounting as contained in the Annexure B, is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable accounting standards notified by the Central Government under section 133 of the Act read with relevant rules thereunder and other Generally Accepted Accounting Principles read with MCA circular.

# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

Allcargo Logistics Limited

Independent Auditor's certificate on Accounting Treatment

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## **Emphasis of matter paragraph**

12. As mentioned in clause 14.1 and clause 24.1 of the Draft Scheme, the accounting treatment in the books of account of the Company will be given effect from the Appointed Date 1 defined in the Draft Scheme which is in compliance with the MCA Circular. However, as per the provisions of Ind AS notified under Companies (Indian Accounting Standards) Rules, 2015 as amended, the demerger should have been accounted for from the date of transfer of control. Our opinion is not qualified in respect of this matter.

## **Restriction on Use**

13. This certificate has been issued at the request of the Company and is addressed to and provided to the Board of Directors pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onwards submission to the Bombay Stock Exchange (BSE), National Stock Exchange (NSE) and any other regulatory authority in connection with the Draft Scheme and should not be used for any other person or purpose or distributed to anyone or referred to in any document. Our examination relates to the matters specified in this certificate and does not extend to the Company as a whole. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Aniket Sohani

Partner

Membership Number: 117142

UDIN: 24117142BKDHXX2593

Mumbai

January 12, 2024

## Annexure B

### 14 ACCOUNTING TREATMENT

#### 14.1 Accounting Treatments In The Books Of Demerged Company (For The Demerger Of Demerged Undertaking With The Resulting Company)

Notwithstanding anything else contained in the Scheme, upon scheme becoming effective and with effect from the Appointed Date 1, the Demerged Company shall account for the demerger of Demerged Undertaking in its books of accounts, such that:

- 14.1.1. All the assets and the liabilities of the Demerged Undertaking as appearing in the books of accounts of the Demerged Company transferred to and vested in the Resulting Company pursuant to the Scheme shall be reduced from the respective book value of assets and liabilities of the Demerged Company.
- 14.1.2. The investments made by the Demerged Company in the equity share capital of the Resulting Company, shall stand cancelled.
- 14.1.3. The difference, if any, between the book value of the assets of the Demerged Undertakings of the Demerged Company transferred to the Resulting Company less the book value of the liabilities of the Demerged Undertakings of the Demerged Company transferred to the Resulting Company as per clause 14.1.1 and investment made by Demerged Company in Resulting Company cancelled as per clause 14.1.2, shall be recognised in Retained Earnings.
- 14.1.4. For accounting purposes, the Scheme will be given effect from the Appointed Date 1 and such entries will be recorded on the date when all substantial conditions for the transfer of Demerged Undertaking are completed.
- 14.1.5. Any matter not dealt with in Clause hereinabove shall be dealt with in accordance with the requirement of applicable Ind AS and generally accepted accounting principles.

### 24 ACCOUNTING TREATMENT

#### 24.1 Accounting Treatments in the books of Demerged Company (For the Transfer of Investment in Transferor Company 1 and Transferor Company 2 to the Transferee Company 1 pursuant to Amalgamation 1)

SIGNED FOR IDENTIFICATION BY

S. R. BATLIBOI & ASSOCIATES



Notwithstanding anything else contained in the Scheme, upon the Scheme becoming effective and with effect from the Appointed Date 1, the Demerged Company shall account for the transfer of investment in Transferor Company 1 and Transferor Company 2 to the Transferee Company 1 and consideration received from Transferee Company 1, in its books of accounts such that:

- i. The Demerged Company shall derecognise cost of investment in Transferor Company 1 and Transferor Company 2 with a corresponding addition to the cost of investment in Transferee Company 1.
- ii. For accounting purposes, the Scheme will be given effect from the Appointed Date 1 and such entries will be recorded on the date when all substantial conditions for the transfer of investment in Transferor Company 1 and Transferor Company 2 are completed.
- iii. Any matter not dealt with hereinabove shall be dealt with in accordance with the requirement of applicable Ind AS and generally accepted accounting principles.

SIGNED FOR IDENTIFICATION BY



S. R. BATLIBOI & ASSOCIATES





**Independent Auditor's Certificate to confirm that the proposed accounting treatment in the Draft Scheme of Arrangement is in conformity with accounting standards prescribed under Section 133 of the Companies Act, 2013 pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder**

To,  
The Board of Directors,  
Allcargo Logistics Limited  
6th Floor, Allcargo House,  
CST Road, Kalina, Santacruz (East),  
Mumbai - 400098

1. We, the statutory auditors of Allcargo Logistics Limited (hereinafter referred to as "the Company or Transferee Company"), have examined the proposed accounting treatment specified in clause 34.1 of the Draft Scheme of Arrangement (the "Draft Scheme") between the Company and Allcargo Supply Chain Private Limited ("Transferor Company 1") and Gati Express and Supply Chain Private Limited ("Transferor Company 2") and Allcargo Gati Limited ("Transferor Company 3" or "Transferee Company 1") and Allcargo Ecu Limited ("Resulting Company") and their respective shareholders in terms of the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act") with reference to its compliance with the applicable Accounting Standards notified under Section 133 of the Act, relevant rules thereunder and Other Generally Accepted Accounting Principles in India ("collectively referred to as the applicable Accounting Standards"), read with General Circular No 09/2019 issued by the Ministry of Corporate Affairs dated August 21, 2019 ("MCA Circular").
2. The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the companies involved. Our responsibility is to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles read with MCA Circular. 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. Read with Para 2 above and Emphasis of matter paragraph in Annexure C to this certificate and based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in clause 34.1 of the aforesaid Draft Scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable Accounting Standards notified by the Central Government under Section 133 of the Companies Act, 2013, relevant rules thereunder and Other Generally Accepted Accounting Principles read with MCA circular.

# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

Allcargo Logistics Limited

Independent Auditor's certificate on Accounting Treatment

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4. This Certificate is issued at the request of the Company's Management pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the Bombay Stock Exchange ("BSE"), National Stock Exchange ("NSE"), National Company Law Tribunal ("NCLT") and any other regulatory authority in connection with the Draft Scheme.
5. This Certificate should be read together with Annexures attached herewith (Refer Annexure C and Annexure D).

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Aniket A Sohani

Partner

Membership Number: 117142

UDIN: 24117142BKDHXY5075

Mumbai

January 12, 2024

# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

Allcargo Logistics Limited

Independent Auditor's certificate on Accounting Treatment

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## **Annexure C: Independent Auditor's Certificate on the accounting treatment in the draft scheme of arrangement under Sections 230 to 232 of the Companies Act, 2013, relevant rules thereunder and SEBI Master circular SEBI/HO/CFD/POD-2/P/CIR/2023/93**

To,

Allcargo Logistics Limited

6th Floor, Allcargo House,

CST Road, Kalina, Santacruz (East),

Mumbai - 400098

1. This Certificate is issued in accordance with the terms of our service scope letter dated November 01, 2023 and master engagement agreement dated November 09, 2022 with Allcargo Logistics Limited (hereinafter the "Company" or "Transferee Company") pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onwards submission to the Bombay Stock Exchange (BSE), National Stock Exchange (NSE), National Company Law Tribunal (NCLT) and other regulatory authorities in connection with the Draft Scheme of Arrangement as mentioned in paragraph 2 below.
2. We, S.R. Batliboi & Associates LLP, Chartered Accountants, are the Statutory Auditors of the Company and have been requested by the management of the Company, to examine the proposed accounting treatment given in clause 34.1 of the attached Draft Scheme of Arrangement dated December 21, 2023 (the "Draft Scheme") between the Company and Allcargo Supply Chain Private Limited ("Transferor Company 1") and Gati Express and Supply Chain Private Limited ("Transferor Company 2") and Allcargo Gati Limited ("Transferor Company 3" or "Transferee Company 1") and Allcargo Ecu Limited ("Resulting Company") and their respective shareholders, in terms of the provisions of Sections 230 to 232 and all other applicable provisions of the Companies Act, 2013 ("the Act") and SEBI Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 ('SEBI Master Circular'), for compliance with the applicable accounting standards prescribed under section 133 of the Companies Act, 2013, relevant rules thereunder and other generally accepted accounting principles in India (collectively referred to as "applicable accounting standards"), read with General Circular No 09/2019 issued by the Ministry of Corporate Affairs dated August 21, 2019 ("MCA Circular"). The accounting treatment as prescribed in the Draft Scheme has been included in Annexure D which has been initialed by us for identification purposes only.

## **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

Allcargo Logistics Limited

Independent Auditor's certificate on Accounting Treatment

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### **Management's Responsibility**

3. The preparation of the Draft Scheme is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Draft Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Draft Scheme has been approved by the Board of Directors.
4. The Management of the Company is also responsible for ensuring that the Company complies with the relevant laws and regulations, including the applicable accounting standards as aforesaid and circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also provides relevant information to the NCLT.

### **Auditor's Responsibility**

5. Pursuant to the requirements of Section 230 of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and SEBI Master Circular, our responsibility is to provide reasonable assurance in the form of an opinion on whether the proposed accounting treatment as contained in the Annexure D is in compliance with the applicable accounting standards read with MCA circular.
6. We audited the standalone and consolidated financial statements of the Company as of and for the financial year ended March 31, 2023, on which we issued an unmodified audit opinion vide our reports dated May 30, 2023. Our audits of these financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
7. We conducted our examination of Annexure D in accordance with the Guidance Note on Reports or Certificates for Special Purposes 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 Institute of Chartered Accountants of India.
8. 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.

## **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

Allcargo Logistics Limited

Independent Auditor's certificate on Accounting Treatment

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9. Our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be to express an opinion on the specified elements, accounts or items thereof for the purpose of this certificate. Accordingly, we do not express such opinion. Further, our examination did not extend to any aspects of legal or propriety nature of the Draft Scheme and other compliances thereof. 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.
10. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 5 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the applicable criteria. Accordingly, our procedures included the following in relation to the Annexure D:
  - a. Obtained and read the Draft Scheme and the proposed accounting treatment in respect of the Transferee Company specified in clause 34.1 therein, as provided by the Company.
  - b. Obtained copy of resolution passed by the Board of Directors of the Company dated December 21, 2023 approving the Draft Scheme
  - c. Examined whether the proposed accounting treatment as per clause 34.1 of the Draft Scheme is in compliance with the Applicable Accounting Standards, read with MCA circular
  - d. Performed necessary inquiries with the management and obtained necessary representations from the management.

### **Opinion**

11. Based on our examination and according to the information and explanations given to us, read with paragraph 10 above, in our opinion, the proposed accounting as contained in the Annexure D, is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable accounting standards notified by the Central Government under Section 133 of the Act read with relevant rules thereunder and other Generally Accepted Accounting Principles read with MCA circular.

### **Emphasis of matter paragraph**

12. As mentioned in clause 34.1 of the Draft Scheme, the accounting treatment in the books of account of the Transferee Company will be given effect from the Appointed Date 2 defined in the Draft Scheme which is in compliance with the MCA Circular. However, being a common control business combination, Ind AS 103 Business Combinations requires the transferee company to account for business combination from the combination date (i.e., the date on which control has been transferred) or the earliest date presented, whichever is later. Our opinion is not qualified in respect of this matter.

# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

Allcargo Logistics Limited

Independent Auditor's certificate on Accounting Treatment

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## **Restriction on Use**

13. This certificate has been issued at the request of the Company and is addressed to and provided to the Board of Directors pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onwards submission to the Bombay Stock Exchange (BSE), National Stock Exchange (NSE) and any other regulatory authority in connection with the Draft Scheme and should not be used for any other person or purpose or distributed to anyone or referred to in any document. Our examination relates to the matters specified in this certificate and does not extend to the Company as a whole. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Aniket Sohani

Partner

Membership Number: 117142

UDIN: 24117142BKDHXY5075

Mumbai

January 12, 2024

## Annexure D

### 34 ACCOUNTING TREATMENT

#### 34.1 Accounting Treatments in the books of Transferee Company 2 (For the Amalgamation of Transferor Company 3 (including Transferor Company 1 and Transferor Company 2 under Amalgamation 1) with the Transferee Company 2)

Notwithstanding anything else contained in the Scheme, upon scheme becoming effective and with effect from the Appointed Date 2, the Transferee Company 2 shall account for the amalgamation of the Transferor Company 3 (including Transferor Company 1 and Transferor Company 2 under Amalgamation 1), in its books of accounts such that:

- 34.1.1. The Transferee Company 2 shall record the assets and liabilities, if any, of the Transferor Company 3 (including Transferor Company 1 and Transferor Company 2) vested in it pursuant to this Scheme, at their carrying values.
- 34.1.2. The identity of the reserves of the Transferor Company 3 (including Transferor Company 1 and Transferor Company 2) shall be preserved and the Transferee Company 2 shall record the reserves of the Transferor Company 3 (including Transferor Company 1 and Transferor Company 2) in the same form and at their carrying amount.
- 34.1.3. Pursuant to the amalgamation of the Transferor Company 3 (including Transferor Company 1 and Transferor Company 2) with the Transferee Company 2, inter-company balances, if any, between the Transferee Company 2 and the Transferor Company 3 (including Transferor Company 1 and Transferor Company 2) appearing in the books of the Transferee Company 2 shall stand cancelled;
- 34.1.4. The value of all the investments held by the Transferee Company 2 in the Transferor Company 3 shall stand cancelled pursuant to amalgamation.
- 34.1.5. The consideration transferred by the Transferee Company 2 to the shareholders of the Transferor Company 3, as prescribed in clause 33 of Section D of this Scheme, shall be recognised at nominal /face value and credited to the Equity Share Capital of the Transferee Company 2.
- 34.1.6. The surplus/deficit, if any arising after taking the effect of clause 34.1.1, clause 34.1.2, clause 34.1.4 and clause 34.1.5, after adjustment of clause 34.1.3 shall be recognised as Capital Reserve in the financial statements of the Transferee Company 2.
- 34.1.7. In case of any difference in accounting policy between the Transferor Company 3 (including Transferor Company 1 and Transferor Company 2) and the Transferee Company 2, the accounting policies followed by the Transferee Company 2 will prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.



- 34.1.8. In case amount recognised as Capital Reserve as per clause 34.1.6 arising due to merger of the Transferor Company 3 (including Transferor Company 1 and Transferor Company 2) results into net debit impact, the Transferee Company 2 will adjust the debit balance firstly against the amount lying to the credit of the Capital Reserve Account, if any; balance, if any remaining after adjustment of entire credit of Capital Reserve Account, against the amount lying to the credit of the Special Reserve Account, if any; balance, if any, remaining after adjustment of entire credit balance of the Special Reserve Account, against the amount lying to the credit of the Securities Premium Account, if any; balance, if any, remaining after adjustment of entire credit balance of the Securities Premium Account, against the amount lying to the credit of the Retained Earnings and balance, if any, remaining after adjustment of entire credit balance of the Retained Earnings, such amount shall continue as Capital Reserve Account. In case impact arising due to merger accounting results in net credit in Capital Reserve, if any, such amount shall continue to be recognised as Capital Reserve Account.
- 34.1.9. For accounting purposes, the Scheme will be given effect from the Appointed Date 2 and such entries will be recorded on the date when all substantial conditions for the transfer of the Transferor Company 3 are completed.
- 34.1.10. Any matter not dealt with hereinabove shall be dealt with in accordance with the requirement of applicable Ind AS and generally accepted accounting principles.

SIGNED FOR IDENTIFICATION BY

S. R. BATLIBOI & ASSOCIATES





# ***S.R. BATLIBOI & ASSOCIATES LLP***

Chartered Accountants

12th Floor, The Ruby  
29 Senapati Bapat Marg  
Dadar (West)  
Mumbai - 400 028, India  
Tel: +91 22 6819 8000

## **Independent Auditor's Certificate to confirm that the proposed accounting treatment in the Draft Scheme of Arrangement is in conformity with accounting standards prescribed under Section 133 of the Companies Act, 2013 pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder**

To,  
The Board of Directors,  
Allcargo Gati Limited (formerly known as Gati Limited)  
4th Floor, Western Pearl,  
Survey No.13(P), Kondapur,  
Hyderabad – 500084, Telangana

1. We, the statutory auditors of Allcargo Gati Limited (hereinafter referred to as “the Company or “Transferee Company”), have examined the proposed accounting treatment specified in clause 24.2 of the Draft Scheme of Arrangement (the “Draft Scheme”) between the Company and Allcargo Logistics Limited (“Demerged Company” or “Transferee Company 2”) and Allcargo Supply Chain Private Limited (“Transferor Company 1”) and Gati Express and Supply Chain Private Limited (“Transferor Company 2”) and Allcargo Ecu Limited (“Resulting Company”) and their respective shareholders in terms of the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“Act”) with reference to its compliance with the applicable Accounting Standards notified under Section 133 of the Act, relevant rules thereunder and Other Generally Accepted Accounting Principles in India (“collectively referred to as the applicable Accounting Standards”) read with General Circular No 09/2019 issued by the Ministry of Corporate Affairs dated August 21, 2019 (“MCA Circular”).
2. The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the companies involved. Our responsibility is to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles read with MCA Circular. 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. Read with Para 2 above and Emphasis of matter paragraph in Annexure A to this certificate and based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in clause 24.2 of the aforesaid Draft Scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable Accounting Standards notified by the Central Government under Section 133 of the Companies Act, 2013, relevant rules thereunder and Other Generally Accepted Accounting Principles read with MCA circular.

# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

Allcargo Gati Limited (formerly known as Gati Limited)  
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4. This Certificate is issued at the request of the Company's Management pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the Bombay Stock Exchange ("BSE"), National Stock Exchange ("NSE"), National Company Law Tribunal ("NCLT") and any other regulatory authority in connection with the Draft Scheme.
5. This Certificate should be read together with Annexures attached herewith (Refer Annexure A and Annexure B)

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Aniket A Sohani

Partner

Membership Number: 117142

UDIN: 24117142BKDHXZ7599



Mumbai

January 12, 2024

# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

Allcargo Gati Limited (formerly known as Gati Limited)  
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## **Annexure A: Independent Auditor's Certificate on the accounting treatment in the draft scheme of arrangement under Sections 230 to 232 of the Companies Act, 2013, relevant rules thereunder and SEBI Master circular SEBI/HO/CFD/POD-2/P/CIR/2023/93**

The Board of Directors  
Allcargo Gati Limited (formerly known as Gati Limited)  
4th Floor, Western Pearl,  
Survey No.13(P), Kondapur,  
Hyderabad – 500084, Telangana

1. This Certificate is issued in accordance with the terms of our service scope letter dated December 19, 2023 and master engagement agreement dated November 02, 2022 with Allcargo Gati Limited (hereinafter the "Company" or "Transferee Company") pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onwards submission to the Bombay Stock Exchange (BSE), National Stock Exchange (NSE), National Company Law Tribunal (NCLT) and other regulatory authorities in connection with the Draft Scheme of Arrangement as mentioned in paragraph 2 below.
2. We, S.R. Batliboi & Associates LLP, Chartered Accountants, are the Statutory Auditors of the Company and have been requested by the management of the Company, to examine the proposed accounting treatment given in clause 24.2 of the attached Draft Scheme of Arrangement dated December 21, 2023 (the "Draft Scheme") between the Company and Allcargo Logistics Limited ("Demerged Company" or "Transferee Company 2") and Allcargo Supply Chain Private Limited ("Transferor Company 1") and Gati Express and Supply Chain Private Limited ("Transferor Company 2") and Allcargo Ecu Limited ("Resulting Company") and their respective shareholders, in terms of the provisions of Sections 230 to 232 and all other applicable provisions of the Companies Act, 2013 ("the Act") and SEBI Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 ("SEBI Master Circular"), for compliance with the applicable accounting standards prescribed under section 133 of the Companies Act, 2013, relevant rules thereunder and other generally accepted accounting principles in India (collectively referred to as "applicable accounting standards"), read with General Circular No 09/2019 issued by the Ministry of Corporate Affairs dated August 21, 2019 ("MCA Circular"). The accounting treatment as prescribed in the Draft Scheme has been included in Annexure B which has been initialed by us for identification purposes only.

### **Management's Responsibility**

3. The preparation of the Draft Scheme is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Draft Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Draft Scheme has been approved by the Board of Directors.
4. The Management of the Company is also responsible for ensuring that the Company complies with the relevant laws and regulations, including the applicable accounting standards as aforesaid and circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also provides relevant information to the NCLT.

# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

Allcargo Gati Limited (formerly known as Gati Limited)  
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## **Auditor's Responsibility**

5. Pursuant to the requirements of Section 230 of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and SEBI Master Circular, our responsibility is to provide reasonable assurance in the form of an opinion on whether the proposed accounting treatment as contained in the Annexure B is in compliance with the applicable accounting standards read with MCA circular.
6. We audited the standalone and consolidated financial statements of the Company as of and for the financial year ended March 31, 2023, on which we issued an unmodified audit opinion vide our reports dated May 19, 2023. Our audits of these financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
7. We conducted our examination of Annexure B in accordance with the Guidance Note on Reports or Certificates for Special Purposes 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 Institute of Chartered Accountants of India.
8. 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.
9. Our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be to express an opinion on the specified elements, accounts or items thereof for the purpose of this certificate. Accordingly, we do not express such opinion. Further, our examination did not extend to any aspects of legal or propriety nature of the Draft Scheme and other compliances thereof. 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 report, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.
10. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 5 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the applicable criteria. Accordingly, our procedures included the following in relation to the Annexure B:
  - a. Obtained and read the Draft Scheme and the proposed accounting treatment in respect of the Transferee Company specified in clause 24.2 therein, as provided by the Company.
  - b. Obtained copy of resolution passed by the Board of Directors of the Company dated December 21, 2023 approving the Draft Scheme.
  - c. Examined whether the proposed accounting treatment as per clause 24.2 of the Draft Scheme is in compliance with the Applicable Accounting Standards, read with MCA circular.
  - d. Performed necessary inquiries with the management and obtained necessary representations from the management.

# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

Allcargo Gati Limited (formerly known as Gati Limited)  
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## **Opinion**

11. Based on our examination and according to the information and explanations given to us, read with paragraph 10 above, in our opinion, the proposed accounting as contained in the Annexure B, is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable accounting standards notified by the Central Government under Section 133 of the Act read with relevant rules thereunder and other Generally Accepted Accounting Principles read with MCA circular.

## **Emphasis of matter paragraph**

12. As mentioned in clause 24.2 of the Draft Scheme, the accounting treatment in the books of account of the Transferee Company will be given effect from the Appointed Date 1 (October 01, 2023) defined in the Draft Scheme which is in compliance with the MCA Circular. However, being a common control business combination, Ind AS 103 Business Combinations requires the transferee company to account for business combination from the combination date (i.e. the date on which control has been transferred) or the earliest date presented, whichever is later. Our opinion is not qualified in respect of this matter.

## **Restriction on Use**

13. This Certificate has been issued at the request of the Company and is addressed to and provided to the Board of Directors pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onwards submission to the Bombay Stock Exchange (BSE), National Stock Exchange (NSE) and any other regulatory authority in connection with the Draft Scheme and should not be used for any other person or purpose or distributed to anyone or referred to in any document. Our examination relates to the matters specified in this certificate and does not extend to the Company as a whole. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Aniket A Sohani

Partner

Membership Number: 117142

UDIN: 24117142BKDHXZ7599



Mumbai

January 12, 2024

## Annexure D

### 24.2 Accounting Treatments in the books of Transferee Company 1 (For the merger of Transferor Company 1 and Transferor Company 2 with the Transferee Company 1)

Notwithstanding anything else contained in the Scheme, upon scheme becoming effective and with effect from the Appointed Date 1, the Transferee Company 1 shall account for the amalgamation of the Transferor Company 1 in accordance with the Pooling of Interest Method of accounting, in its books of accounts such that:

- 24.2.1. The Transferee Company 1 shall record the assets and liabilities, if any, of the Transferor Company 1 vested in it pursuant to this Scheme, at their carrying values.
- 24.2.2. The identity of the reserves of the Transferor Company 1 shall be preserved and the Transferee Company 1 shall record the reserves of the Transferor Company 1 in the same form and at their carrying amount.
- 24.2.3. Pursuant to the amalgamation of the Transferor Company 1 with the Transferee Company 1, inter-company balances, if any, between the Transferee Company 1 and the Transferor Company 1 as appearing in the books of the Transferee Company 1 shall stand cancelled;
- 24.2.4. The consideration transferred by the Transferee Company 1 to the shareholders of the Transferor Company 1, as prescribed in clause 23 of Section C of this Scheme, shall be recognised at nominal /face value and credited to the Equity Share Capital of the Transferee Company 1.
- 24.2.5. The surplus/deficit, if any arising after taking the effect of clause 24.2.1, clause 24.2.2 and clause 24.2.4, after adjustment of clause 24.2.3 shall be recognised as Capital Reserve in the financial statements of the Transferee Company 1.
- 24.2.6. In case of any difference in accounting policy between the Transferor Company 1 and the Transferee Company 1, the accounting policies followed by the Transferee Company 1 will prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.
- 24.2.7. For accounting purposes, the Scheme will be given effect from the Appointed Date 1 and such entries will be recorded on the date when all substantial conditions for the transfer of Transferor Company 1 are completed.
- 24.2.8. Any matter not dealt with hereinabove shall be dealt with in accordance with the requirement of applicable Ind AS and generally accepted accounting principles.

SIGNED FOR IDENTIFICATION BY

S. R. BATLIBOI & ASSOCIATES



**Independent Auditor's Certificate on compliance of the proposed accounting treatment under Section 232(6) of the Companies Act, 2013 with the accounting standards notified under Section 133 of the Companies Act, relevant rules thereunder and other generally accepted accounting principles in India**

To

The Board of Directors

Allcargo Ecu Limited

6<sup>th</sup> Floor, Allcargo House,

CST Road, Kalina, Santacruz (East),

Mumbai - 400098

1. This Certificate is issued in accordance with the terms of our service scope letter December 26, 2023 and master engagement agreement dated December 26, 2023 with Allcargo Ecu Limited (hereinafter the "Company or Resulting Company") for submission to National Company Law Tribunal (hereinafter the "NCLT") and any other regulatory authorities in connection with the Draft Scheme of Arrangement as mentioned in paragraph 2 below.
2. We, S.R. Batliboi & Associates LLP, Chartered Accountants, are the Statutory Auditors of the Company and have been requested by the management of the Company, to examine the proposed scheme of accounting given in clause 14.2 of the attached Draft Scheme of Arrangement dated December 21, 2023 (the "Draft Scheme" between the Company and Allcargo Logistics Limited ("Demerged Company or Transferee Company 2") and Allcargo Supply Chain Private Limited ("Transfer Company 1") and Gati Express and Supply Chain Private Limited ("Transferor Company 2") and Allcargo Gati Limited ("Transferee Company 1" or "Transferor Company 3") and their respective shareholders, in terms of the provisions of Sections 230 to 232 and all other applicable provisions of the Companies Act, 2013 ("the Act") for compliance with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013, relevant rules thereunder and other generally accepted accounting principles in India (collectively referred to as "applicable accounting standards"), read with General Circular No 09/2019 issued by the Ministry of Corporate Affairs dated August 21, 2019 ("MCA Circular"). The accounting treatment as prescribed in the Draft Scheme has been included in Annexure 1 to this Report which has been initialed by us for identification purposes only.

**Management's Responsibility**

3. The preparation of the Draft Scheme is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Draft Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management of the Company is also responsible for ensuring that the Company complies with the requirements of the Act and for providing all relevant information to the NCLT and any other regulatory authority in connection with the Draft Scheme.

# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

Allcargo Ecu Limited

Independent Auditor's certificate on Accounting Treatment

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## **Auditors Responsibility**

5. Pursuant to the requirements of Section 230 of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, our responsibility is to provide reasonable assurance in the form of an opinion on whether the proposed accounting treatment specified in clause 14.2 of the Draft Scheme is in compliance with the applicable accounting standards read with MCA circular.
6. We conducted our examination of the Annexure in accordance with the Guidance Note on Reports or Certificates for Special Purposes 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 Institute of Chartered Accountants of India.
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.
8. Our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be to express an opinion on the specified elements, accounts or items thereof for the purpose of this certificate. Accordingly, we do not express such opinion. Further, our examination did not extend to any aspects of legal or propriety nature of the Draft Scheme and other compliances thereof. 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.
9. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 5 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the applicable criteria. Accordingly, we have performed the following procedures in relation to the Draft Scheme:
  - a. Obtained and read the Draft Scheme and the proposed accounting treatment in respect of the Resulting Company specified in clause 14.2 therein, as provided by the Company.
  - b. Obtained copy of resolution passed by the Board of Directors of the Company dated December 21, 2023 approving the Draft Scheme.
  - c. Examined whether the proposed accounting treatment as per clause 14.2 of the Draft Scheme is in compliance with the Applicable Accounting Standards, read with MCA circular.
  - d. Performed necessary inquiries with the management and obtained necessary representations from the management.

## **Opinion**

10. Based on our examination and according to the information and explanations given to us, read with paragraph 9 above, in our opinion, the proposed accounting as contained in the Annexure, is in compliance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013, relevant rules thereunder and other Generally Accepted Accounting Principles, read with MCA Circular.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

Allcargo Ecu Limited

Independent Auditor's certificate on Accounting Treatment

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## **Emphasis of matter paragraph**

11. As mentioned in clause 14.2 of the Draft Scheme, the accounting treatment in the books of account of the Resulting Company will be given effect from the Appointed Date 1 (October 01, 2023) defined in the Draft Scheme which is in compliance with the MCA Circular. However, being a common control business combination, Ind AS 103 Business Combinations requires the transferee company to account for business combination from the combination date (i.e., the date on which control has been transferred) or the earliest date presented, whichever is later. Our opinion is not qualified in respect of this matter.

## **Restriction on Use**

12. This certificate has been issued at the request of the Company and is addressed to and provided to the Board of Directors of the Company solely for the purpose mentioned in paragraph 2 above and to be submitted to the NCLT and any other regulatory authority in connection with the Draft Scheme and should not be used for any other person or purpose or distributed to anyone or referred to in any document. Our examination relates to the matters specified in this certificate and does not extend to the Company as a whole. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Aniket Sohani

Partner

Membership Number: 117142

UDIN: 24117142BKDHYA3770

Mumbai

January 12, 2024



## Annexure 1

### 14.2 Accounting treatments in the books of Resulting Company (For the Demerger of Demerged Undertaking with the Resulting Company)

Notwithstanding anything else contained in the Scheme, upon scheme becoming effective and with effect from the Appointed Date 1, the Resulting Company shall account for the demerger of the Demerged Undertaking by the Demerged Company to the Resulting Company in its books of accounts such that:

- 14.2.1. The Resulting Company shall record the assets and liabilities, if any, of the Demerged Undertaking of the Demerged Company vested in it pursuant to this Scheme, at their carrying values;
- 14.2.2. Pursuant to the demerger of Demerged Undertaking of the Demerged Company with the Resulting Company, the inter-company balances, if any, between the Resulting Company and the Demerged Undertaking of the Demerged Company shall stand cancelled;
- 14.2.3. The consideration transferred by the Resulting Company to the shareholders of the Demerged Company, as prescribed in clause 13 of Section B of this Scheme, shall be recognised at nominal /face value and credited to the Equity Share Capital of the Resulting Company.
- 14.2.4. The shares held by the Demerged Company in the Resulting Company shall stand cancelled.
- 14.2.5. The surplus/deficit, if any arising after taking the effect of clause 14.2.1, clause 14.2.3, and clause 14.2.4, after adjustment of clause 14.2.2 shall be recognised as Capital Reserve in the financial statements of the Resulting Company.
- 14.2.6. In case of any difference in accounting policy between the Demerged Undertaking of the Demerged Company and the Resulting Company, the accounting policies followed by the Resulting Company will prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.
- 14.2.7. For accounting purposes, the Scheme will be given effect from the Appointed Date 1 and such entries will be recorded on the date when all substantial conditions for the demerger of Demerged Undertaking are completed.
- 14.2.8. Any matter not dealt with in Clause hereinabove shall be dealt with in accordance with the requirement of applicable Ind AS and generally accepted accounting principles.

SIGNED FOR IDENTIFICATION BY

S. R. BATLIBOI & ASSOCIATES

