

**B S R & Co. LLP**

Chartered Accountants

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To,  
The Board of Directors,  
Pine Labs Private Limited  
Unit No.408,4th Floor,  
Time Tower, MG Road,  
Gurgaon -122002, Haryana

12 February 2024

**Independent Auditor's Certificate in relation to proposed accounting treatment in the books of Pine Labs Private Limited as specified in the Proposed Scheme of Arrangement (the Proposed Scheme) of Pine Labs Limited with Pine Labs Private Limited and their respective shareholders pursuant to provisions of Section 230 to 232 of the Companies Act, 2013, read with Section 234 of the Companies Act, 2013**

1. This Certificate is issued in accordance with the terms of our engagement letter dated 09 February 2024 executed with Pine Labs Private Limited.
2. We have been requested by the Board of Directors of Pine Labs Private Limited ("the Company" or "Transferee Company") to issue a certificate in relation to the proposed accounting treatment specified in Clause 32 of the proposed Scheme of Arrangement of Pine Labs Limited (the Transferor Company) with the Transferee Company and their respective shareholders ("Proposed Scheme"), as reproduced in Annexure A to this certificate, in terms of the provisions of Section 230 to 232, read with Section 234, and other applicable provisions of the Companies Act, 2013 ("the Act") with reference to its compliance with the applicable Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with relevant Rules issued thereunder and other Generally Accepted Accounting Principles in India.
3. The Proposed Scheme is approved by the Board of Directors of the Transferee Company and the Transferor Company on 08 February 2024 and 13 December 2023 (modification of the scheme approved on 07 February 2024) respectively and is subject to approval of the respective Shareholders of the Transferee Company and the Transferor Company, the National Company Law Tribunal ("NCLT") and Statutory and Regulatory Authorities, as applicable. The appointed date for the purpose of the Proposed Scheme is the effective date as defined in the Scheme.



Registered Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP  
(a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing,  
Nesco IT Park 4, Nesco Center, Western Express  
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**Management's Responsibility**

4. The preparation of the Proposed Scheme (extract of clause 32 of the Proposed Scheme is reproduced in the Annexure A) and its compliance with the relevant provision of the Act, laws and regulations, including the applicable Ind AS read with the Rules made, issued thereunder and the Generally Accepted Accounting Principles in India is the responsibility of the Board of Directors of the Transferee Company and the Transferor Company 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 Proposed Scheme as reproduced in Annexure A 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 Companies Act, 2013 and providing all relevant information with respect to the Proposed Scheme to the NCLT.

**Auditor's Responsibility**

7. Pursuant to the requirements of provisions of Section 232 of the Companies Act, 2013, read with Section 234 of the Companies Act, 2013, our responsibility is to provide a reasonable assurance whether the proposed accounting treatment specified in Clause 32 of Part IV - Accounting Treatment in the books of Transferee Company of the Proposed Scheme and as reproduced in Annexure A to this certificate is in conformity with the Ind AS 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 Clause 32 of the Proposed Scheme and as reproduced in Annexure A in accordance with the Guidance Note on Reports or Certificates for Special Purposes 'Guidance Note', issued by the Institute of Chartered Accountants of India. 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.
9. We have complied with the relevant applicable requirements of 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 Engagement.

**Opinion**

10. As per Section 232(6) of the Act, the Proposed Scheme has to provide for the appointed date from which the Proposed Scheme shall be effective. The Company has accordingly proposed and defined the appointed date as the effective date in the Proposed Scheme.
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 Clause 32 of the Proposed Scheme and as reproduced in Annexure A to this certificate, signed/ initialed and stamped by us for the purpose of identification only, is in conformity with Ind AS 103 'Business Combinations'. the applicable Accounting Standard prescribed under Section 133 of the Act and other Generally Accepted Accounting Principles in India.



**B S R & Co. LLP**

**Restriction on Use**

12. This certificate is issued at the request of the Board of Directors of the Transferee Company solely for the purpose of onward submission to NCLT and any other regulatory authority in relation to the Proposed Scheme pursuant to the requirements of Sections 230 to 232 of the Act, read with Section 234 of the Act and relevant Rules thereunder. Our certificate should not be used by any other person or for any other purpose. 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 B S R & Co. LLP*  
*Chartered Accountants*  
ICAI Firm Registration No.: 101248W/W-100022

**Manish Gupta**

*Partner*

Membership No.: 095037

UDIN No.: 24095037BKGVB7850

**Place:** Noida  
**Date:** 12 February 2024

Encl: Annexure A, prepared by the Transferee Company's management, signed by us for identification purpose only.



## Annexure A

Relevant extracts of the Scheme of Arrangement ("Draft Scheme") between Pine Labs Limited ("Transferor Company") and Pine Labs Private Limited ("Transferee Company") under sections 230 to 232, read with Section 234 and other applicable provisions of the Companies Act, 2013 ("the Act")

### **PART IV – ACCOUNTING TREATMENT, ADJUSTMENT OF CAPITAL RESERVE ACCOUNT, DISSOLUTION WITHOUT WINDING UP OF THE TRANSFEROR COMPANY AND OTHER GENERAL TERMS AND CONDITIONS**

#### **32. Accounting treatment**

**32.1** Upon the Scheme becoming effective:

- (a) the Transferee Company shall account for the Scheme in its books of account in accordance with the applicable accounting standards as notified under the provisions of the Indian Companies Act read with Rule 4 of the Companies (Indian Accounting Standards) Rules 2015 and generally accepted accounting principles;
- (b) the Transferee Company shall, upon the Scheme becoming effective, record the assets, liabilities and reserves of the Transferor Company in the books of accounts of the Transferee Company at the existing carrying amounts as per the separate financial statements of the Transferor Company and in the same form;
- (c) the Relevant Existing PLI Shares held by the Transferor Company in the Transferee Company shall stand cancelled and the equity share capital of the Transferee Company shall stand reduced to that extent;
- (d) the Transferee Company shall credit in its books of account under 'Share Capital Account', the aggregate face value of the Scheme Shares issued and allotted by it to the members of the Transferor Company in accordance with Clause 14;
- (e) the difference arising between the of the face value of the Scheme Shares issued by the Transferee Company upon this Scheme becoming effective and the amount of share capital of the Transferor Company, as per the separate financial statements of the Transferor Company, and difference arising from cancellation at face value of existing equity shares of the Transferee Company held by the Transferor Company and the value of such investment in separate financial statements of transferor Company shall be recorded in the 'Capital Reserve Account' (if credit) and should be presented separately from other capital reserves, or as revenue reserves (if debit) and if there are no reserves or inadequate reserves, to an amalgamation deficit reserve (if debit), with disclosure of its nature and purpose in the notes to the financial statements;
- (f) for removal of doubt it is clarified that to the extent there are inter-company loans, deposits or balances as between or amongst Transferor Company and Transferee Company, the obligations in respect thereof shall be cancelled and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of Transferee Company for the reduction of any assets or liabilities as the case may be and

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**pine labs**



there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date; and

(g) in case of any differences in accounting policy between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company will prevail.

**32.2** The financial information in the financial statements of the Transferee Company in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in such financial statements, irrespective of the actual date of the combination. However, if the business combination had occurred after that date, the prior period information shall be restated only from that date.

**32.3** Notwithstanding the above, the Transferee Board, is authorized to modify such accounting treatment so as to comply with applicable accounting standards and the clarifications/ guidance provided by the Institute of Chartered Accountants of India.

For and on behalf of the Board of Directors of  
**Pine Labs Private Limited**



**Authorised Signatory**

Place: Gurgaon

Date: 12 February 2024

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