

ANNEXURE - F1

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SEHGAL MEHTA AND CO.
CHARTERED ACCOUNTANTS

14/35, Basement, East Patel Nagar
Patel Nagar, New Delhi-08

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sehgalmehta@hotmail.com

Date: 06.07.2023

To
The Board of Directors
Vishnu Vaibhav Industries Private Limited
Plot No. 371, Udyog Vihar, Phase II
Gurugram - 122016, Haryana, India

Independent Auditor's Certificate on the proposed accounting treatment included in the Draft Scheme of Arrangement amongst Vraheja Trading Private Limited ("Transferor Company"), Vishnu Vaibhav Industries Private Limited ("Demerged Company") and Napino Auto and Electronics Limited ("Napino Auto") and their respective shareholders and creditors ("Scheme") pursuant to Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder

1. This certificate is issued in accordance with the terms of our engagement letter dated 15/06/2023 with the Company.
2. We, Sehgal Mehta & Co, the statutory auditors of VishnuVaibhav Industries Private Limited, have been requested by the Company to examine the proposed accounting treatment specified in 17.1 (which has been reproduced in Annexure to this certificate) of the Draft Scheme. This certificate is required by the Company for onward submission with the National Company Law Tribunal / Central Government / Regional Director or any other regulatory authorities in connection with the Draft Scheme to confirm whether the accounting treatment prescribed in the Scheme is in compliance with accounting standards prescribed under section 133 of the Act, read with applicable rules and other generally accepted accounting principles. ("Applicable accounting standards").

Management's Responsibility

3. The responsibility for the preparation of the Draft Scheme, and its compliance with the relevant laws and regulations, read with the rules made thereunder, including the applicable accounting standards as aforesaid, is that of the Board of Directors of the companies involved, including the applicable accounting standards read with the rules made thereunder. This responsibility includes the design, implementing and



maintaining internal control relevant to the preparation of the Draft Scheme, including providing all relevant information to the regulatory authorities.

Auditor's Responsibility

4. Pursuant to the requirements of the Act and the rules, it is our responsibility to provide a reasonable assurance as to whether the proposed accounting treatment in the Draft Scheme complies with the applicable accounting standards and other generally accepted accounting principles.
5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ("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.
6. 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, issued by the ICAI.
7. A reasonable assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the reporting criteria mentioned in paragraph 5 above. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated with the reporting criteria. Accordingly, we have performed the following procedures:
 - 7.1 Read the Draft Scheme and proposed accounting treatment specified in Clause 17.1 of the Scheme.
 - 7.2 Examined the proposed accounting treatment prescribed in the Draft Scheme and assessed whether the same is in compliance with the applicable accounting standards.

Opinion

8. Based on the procedures performed by us as described in paragraph 7 above and the information and explanations given to us, we are of the opinion that the accounting treatment contained in the aforesaid Draft Scheme is in compliance with all the applicable accounting standards.



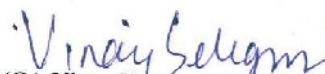
Restriction on Distribution or use

9. 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. This certificate is issued at the request of the Company solely for the purpose of onward submission to the regulatory authorities mentioned in paragraph 2 above 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 report and does not extend to the Company as a whole. We make no representations regarding compliance with company law or any other statutory requirements. Accordingly, we do not accept or assume any liability or 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. We have no responsibility to update this report for events and circumstances occurring after the date of this certificate.

For Sehgal Mehta & Co.

Chartered Accountants

FRN: 003330N


(CA Vinay Kumar Sehgal)

Partner

Membership No.: 080517

UDIN: 23080517BGWJJB4918

Place: Delhi

Date: 06.07.2023



ANNEXURE: Extract of accounting treatment from Draft Scheme

Demerger of Demerged Undertaking (as defined in the Scheme) of Demerged Company into Napino Auto

17.1 In the books of Demerged Company

17.1.1 Upon the Scheme becoming effective and with effect from Demerger Appointed Date, Demerged Company shall reduce the book value of assets and liabilities including reserves and surplus pertaining to the Demerged Undertaking which are transferred to and vested in Napino Auto from the total book value of assets and liabilities including reserves and surplus appearing in its books;

17.1.2 The book value of assets and liabilities including reserves and surplus transferred to Napino Auto shall be adjusted against its general reserve or retained earnings account in accordance with the applicable accounting principles as may be applicable under the Act. If the net assets (including reserves and surplus) transferred is more than general reserves or retained earnings then the same should be reflected as capital reserve account.



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Independent auditor's certificate on the proposed accounting treatment included in the Draft Scheme of arrangement pursuant to sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

To,
The Board of Directors,
Napino Auto and Electronics Limited
Plot No.7, Sector 3 IMT Manesar
Gurugram - 122050, Haryana, India

1. This certificate is issued in accordance with the terms of our engagement letter dated 13 June 2023 with Napino Auto and Electronics Limited ('the Company' or 'the Transferee Company' or 'Napino Auto').
2. We, the statutory auditors of the Company, have examined the proposed accounting treatment specified in Clause 7.1 and Clause 17.2 of the Draft Scheme of arrangement between the Company and Vraheja Trading Private Limited ('the Transferor Company') and Business Undertaking ('the Demerged Undertaking') of Vishnu Vaibhav Industries Private Limited ('the Demerged Company') and their respective shareholders and creditors (hereinafter referred to as the 'Draft Scheme') as approved by the Board of Directors in their meeting held on 6 July 2023, in terms of the provisions of the **Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('the Act')** and with reference to its compliance with the accounting standards prescribed under section 133 of the Act, read with relevant rules issued thereunder (the 'applicable accounting standards') and other generally accepted accounting principles in India. A certified true copy of the Draft Scheme, with the proposed accounting treatment specified in Clause 7.1 and Clause 17.2 of the Draft Scheme, as attached herewith in Appendix I, has been initialed and stamped by us for identification purpose only.

Management's Responsibility

3. The responsibility for the preparation of the Draft Scheme, and its compliance with the relevant laws and regulations, including the applicable accounting standards and other generally accepted accounting principles in India, is that of the management/ Board of Directors of the companies involved. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Draft Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management is also responsible for ensuring that the Company complies with the requirements of the Act and the rules, and the applicable accounting standards, in relation to the Draft Scheme, and for providing all relevant information to the relevant National Company Law Tribunal(s).

Auditor's Responsibility

5. Pursuant to the requirements of the relevant laws and regulations, it is our responsibility to provide a reasonable assurance as to whether the proposed accounting treatment specified in Clause 7.1 and



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Clause 17.2 of the Draft Scheme complies with the applicable accounting standards and other generally accepted accounting principles.

6. We conducted our examination 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 ('the ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
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, issued by the ICAI.

Opinion

8. Based on our examination as above and according to the information and explanations given to us, along with the representations provided by the management, in our opinion, the proposed accounting treatment specified in clause 7.1 and clause 17.2 of the Draft Scheme, attached herewith and stamped by us for identification only, is in compliance with the applicable accounting standards and other generally accepted accounting principles in India.

Restriction on distribution or use

9. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the requirements of the provisions of Sections 230 to 232 and other applicable provisions of the Act read with the rules, for onward submission along with the Draft Scheme to the relevant National Company Law Tribunal(s). Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have as statutory auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as statutory auditors of the Company.
10. This certificate is issued at the request of the Company's management for onward submission along with the Draft Scheme to the relevant National Company Law Tribunal(s). Accordingly, this certificate may not be suitable for any other purpose, and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. 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 without our prior consent in writing.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Tarun

Tarun Gupta
Partner
Membership No.: 507892
UDIN: 23507892BGXQWU4630



Place: Gurgram
Date: 6 July 2023



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Appendix 1

I: Accounting treatment in the books of Napino Auto pursuant to merger of Transferor Company

7.1 Upon this Scheme becoming effective and with effect from the Merger Appointed Date, Napino Auto shall account for the merger in accordance with the acquisition method for accounting business combination as per Indian Accounting Standard 103 - Business Combinations ('Ind AS 103') prescribed under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 (as amended):

- 7.1.1 All assets transferred and the liabilities vested in Napino Auto of the Transferor Company pursuant to this Scheme (whether recorded or not in the books of Transferor Company) shall be recorded in the books of account of the Napino Auto at their fair values as on the Merger Appointed Date.
- 7.1.2 Napino Auto shall record issuance of the equity shares at fair value as per clause 5.1 of the Scheme and accordingly credit to its share capital account the aggregate face value of the equity shares. The excess, if any of the fair value of the equity shares over the face value of new equity shares issued shall be credited to securities premium reserve.
- 7.1.3 All inter-company balances and investments, if any, appearing in the books of accounts of Transferor Company and Napino Auto will stand cancelled.
- 7.1.4 The excess of fair value of purchase consideration over the value of net Assets acquired under Clause 7.1.1 above ("Net Assets" means excess of the fair value of assets over the fair value of liabilities) shall be recognised as goodwill. In case of excess of the value of net assets over the fair value of purchase consideration shall be recognised as capital reserve in the financial statements of Napino Auto.



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II) Accounting treatment in the books of Napino Auto pursuant to demerger of Demerged Undertaking of Demerged Company

17.2 Upon this Scheme becoming effective and with effect from the Demerger Appointed Date, the Napino Auto shall account for the demerger in accordance with the acquisition method for accounting business combination as per Indian Accounting Standard 103-Business Combinations ('Ind AS 103') prescribed under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 (as amended):

- 17.2.1 All assets transferred and the liabilities vested in Napino Auto of the Demerged Company pursuant to this Scheme (whether recorded or not in the books of Demerged Company) shall be recorded in the books of account of the Napino Auto at their fair values as on the Demerger Appointed Date.
- 17.2.2 The Napino Auto shall record issuance of the equity shares at fair value as per clause 16 of the Scheme and accordingly credit to its share capital account the aggregate face value of the equity shares. The excess, if any of the fair value of the equity shares over the face value of new equity shares issued shall be credited to securities premium reserve.
- 17.2.3 All inter-company balances and investments, if any, appearing in the books of accounts of Demerged Company and the Napino Auto will stand cancelled.
- 17.2.4 The excess of fair value of purchase consideration over the value of net Assets acquired under Clause 17.2.1 above ("Net Assets" means excess of the fair value of assets over the fair value of liabilities) shall be recognised as goodwill. In case of excess of the value of net assets over the fair value of purchase consideration shall be recognised as capital reserve in the financial statements of Napino Auto.



For Napino Auto and Electronics Limited

RVJain

Rajat Jain
Chief Financial Officer
PAN: AAIPJ6067E
Place: Gurugram
Date: 6 July 2023



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Corporate Identity Number (CIN): U34300HR1991PI C031470

