

## Walker Chandniok & Co LLP

Walker Chandniok & Co LLP  
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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 Transferor Company' or 'Napino Auto').
2. We, the statutory auditors of the Company, have examined the proposed accounting treatment specified in Clause 7.1 of the Draft Scheme of arrangement between the Company and Napino Tech Ventures Private Limited ('the Transferee Company' or 'Napino Tech') 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 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 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.

### 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 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

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune



Walker Chandniok & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India



# Walker Chandiook & Co LLP

7. of India ('the ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
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, issued by the ICAI.

## Opinion

9. 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 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

10. 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. 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.
11. 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. 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: 23507892BGXQWT3806



Place: Gurugram  
Date: 6 July 2023

Chartered Accountants



**Appendix 1**

**Accounting treatment in the books of Demerged company**

7.1 Upon the Scheme becoming effective and with effect from Appointed Date, demerger of the Demerged Undertaking of Napino Auto into Napino Tech; and other matters contained in this Scheme will be accounted for in accordance with the applicable provisions of the Companies Act, 2013, Accounting Standards prescribed under Section 133 of the Companies Act, 2013, and Generally Accepted Accounting Principles.

Without prejudice to the generality of the aforesaid, the accounting treatment in respect of certain specific matters in the books of accounts of Napino Auto shall be as set out below:

- 7.1.1 Napino Auto shall reduce the carrying value of all the assets and liabilities including reserves and surplus pertaining to the Demerged Undertaking which are transferred to and vested in Napino Tech from the total book value of assets and liabilities including reserves and surplus appearing in its books;
- 7.1.2 The inter-company deposits/ loans and advances/ payables & receivables/ balances outstanding pertaining to the Demerged Undertaking of the Napino Auto and the Napino Tech, if any, shall stand cancelled and there shall be no further obligation in that behalf.
- 7.1.3 The difference between the carrying value of assets over liabilities and reserves pertaining to Demerged Undertaking, transferred to the Napino Tech after adjustment as per Clause 7.1.2 above, shall be adjusted against profit and loss in the books of the Napino Auto (debit or credit, as the case may be).

For Napino Auto and Electronics Limited



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



**SIGNED FOR  
IDENTIFICATION  
PURPOSE ONLY**

Registered Office: Plot No. 7, Sector 3, IMT, Manesar 122 050, District Gurugram, Haryana, India  
Tel: +91 124 4177200, E-mail: info@napino.com, Website: www.napino.com  
Corporate Identity Number (CIN): U34300HR1991PLC031470



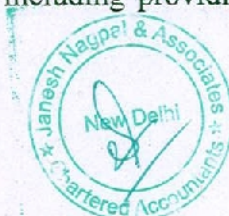
To  
The Board of Directors  
Napino Tech Ventures Private Limited  
Plot no. 7, Sector 3, IMT Manesar,  
Gurgaon, Haryana – 122 051

**Independent Auditor's Certificate on the proposed accounting treatment included in the Draft Scheme of Arrangement between Napino Auto and Electronics Limited ("Napino Auto") and Napino Tech Ventures Private Limited ("Napino Tech" or "Company") and their respective shareholders and creditors ("Draft 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. I, Janesh Nagpal, the statutory auditor of the Company, has been requested by the Company to examine the proposed accounting treatment specified in Clause 7.2 (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.



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PHONE NO. : 9212069916

**Auditor's Responsibility**

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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 judgement, 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 7.2 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.



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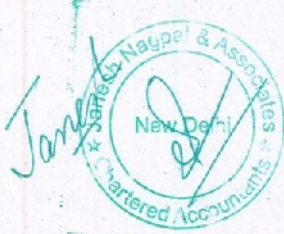
**Restriction on Distribution or use**

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 and for 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 Janesh Nagpal & Associates**

Chartered Accountants

FRN: 018144N



(CA Janesh Nagpal)

Proprietor

Membership No.: 089049

Place: New Delhi

Date: 06.07.2023

UDIN: 23089049BGXSBM8797

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**ANNEXURE: Extract of accounting treatment from Draft Scheme**

**7.2. In the books of Napino Tech**

Upon the Scheme becoming effective and with effect from Appointed Date, Napino Tech shall account for Demerged Undertaking as follows:

7.2.1. Napino Tech shall record the assets and liabilities including the reserves pertaining to the Demerged Undertaking, transferred to and vested in it pursuant to this Scheme at their respective book values as on the Appointed Date as appearing in the books of Napino Auto.

7.2.2. The balance of the reserves and surplus appearing in the financial statements of Napino Auto and transferred to and vested on Napino Tech will be aggregated with the balance of the corresponding reserves and surplus appearing in the financial statements of Napino Tech.

7.2.3. Napino Tech shall credit its equity share capital account with the aggregate face value of the equity shares issued to the shareholders of Napino Auto pursuant to clause 6 of this Scheme.

7.2.4. The cancellation of the initial paid-up share capital of Napino Tech in terms of clause 5 of the Scheme shall be adjusted with capital reserve account.



- 7.2.5. The difference between the book value of net assets including reserves and surplus of the Demerged Undertaking transferred from Napino Auto and recorded by Napino Tech in accordance with clause 7.2.1 above and the amount credited to equity share capital account in accordance with clause 7.2.3 shall be adjusted with capital reserve account.
- 7.2.6. In case of any difference in accounting policy/ies between Napino Auto and Napino Tech, the accounting policies followed by Napino Tech shall prevail and the difference till the Effective Date will be quantified and adjusted in the profit and loss account, to ensure that the financial statements of Napino Tech reflects the financial position on the basis of consistent accounting policy.

