

Independent Auditors' Certificate

The Board of Directors
Acme Chem Limited
9A, Saket Apartments, 9th Floor
2, Ho Chi Mini Sarani,
Kolkata-700 071

Introduction

1. This Certificate is issued in accordance with the terms of our engagement letter dated August 31, 2020.

2. We, Lodha & Co, Chartered Accountants (Firms ICAI Registration No. 301051E), the statutory auditors of Acme Chem Limited ("the Company") having its registered office at 9A, Saket Apartments, 2, Ho Chi Mini Sarani have been requested by the Company to provide a certificate that the accounting treatment proposed in the Draft Scheme of Arrangement between Lesha Commercial Private Limited and Adirish Properties Private Limited ("Transferor Companies") with Acme Chem Limited ("the Company") and their respective shareholders for amalgamation of transferor companies with the company with effect from April 01, 2020 ("the Scheme") proposed to be filed before National Company Law Tribunal ("NCLT") by the Company is in conformity with the Accounting standards prescribed under Section 133 of the Companies Act 2013 ("the Act").

Management's Responsibility for the Statement

3. The preparation of the Scheme and related compliances pertaining to the amalgamation and the Scheme for the same with the relevant laws and regulations including the applicable accounting Standards as aforesaid is the responsibility of the Board of Directors of the Companies involved.

4. The Company's Management is also responsible for the designing, implementing and maintaining internal control, policies for the preparation of the books of account and the financial statement of the company ensuring the accuracy and completeness of the accounting records, timely preparation of reliable information as required under Companies Act, 2013, applying an appropriate basis and Accounting Standards relevant and applicable for preparation of the same.

5. The Company's Management is also responsible for ensuring the compliances in relation to the scheme and submission of other related documents. This includes formulating and proposing to apply accounting treatment and policies which are in accordance with the prevailing accounting standard and practices followed on the matter.

Auditors' Responsibility

6. It is our responsibility to provide a reasonable assurance whether the accounting treatments proposed in the Scheme are in line with the applicable Accounting Standards prescribed under Section 133 of the Companies Act 2013 ("the Act").

7. The accounting treatment as specified in the Scheme under Clause 15 of Part B of Draft Scheme of Arrangement between Lesha Commercial Private Limited ("Transferor Company 1") and Adirish Properties Private Limited ("Transferor Company 2") (collectively referred to as "the Transferor Companies") and Acme Chem Limited ("the Transferee Company") and their respective Shareholders reads as follows:

- a. The Accounting treatments will be given in the books of account of the Transferor company and the Transferee company in accordance with the Pooling of Interest method as per the applicable accounting standards and generally accepted accounting principles in India;
- b. All assets and liabilities, of the Transferor Companies transferred to and vested in the Transferee Company under the Scheme shall be recorded in the books of the Transferee Company at their respective book values subject to the provisions in the Scheme and such other corrections and adjustments as may be determined by the Board of Directors of the Transferee Company;
- c. The inter-corporate loans and advances, investments, outstanding balances and dues between the Transferor Companies and the Transferee Company as on the Appointed Date will stand cancelled and there shall be no further obligation in that behalf; and
- d. The balance arising after adjustment of difference between the value of assets, liabilities and reserves, so recorded in the books of the Transferee Company, as reduced by the aggregate face value of the new

Ravishankar Sankar

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Authorised Signatory

FOR LESHA COMMERCIAL PVT. LTD.

FOR ACMECHEM LTD.
B. Umileshwar
Authorised Signatory



equity shares issued by the Transferee company along with the impact of the difference of the cost of investments and carrying amount thereof as dealt above and impact with respect to the differences in accounting policies also, shall be adjusted in the books of accounts of the Transferee Company in its Reserves

8. The financial statements for the year ended March 31, 2020 have been audited by us, on which we issued an unmodified audit opinion vide our report dated August 24, 2020. Our audits of these financial statements were conducted in accordance with the Standards on Auditing 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. Our audits were not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.
9. We have reviewed the accounting standard specified and practices prevalent and applicable for the amalgamation of subsidiary and other which involves cancellation of intercompany holdings and /or issue of shares to shareholders which are common to both amalgamating and amalgamated companies.
10. We have referred to guidance Note on Reports or Certificates for Special Purposes 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. 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.

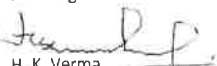
Conclusion

11. Based on our examination of the Scheme and according to the information and explanations given to us, we confirm that the accounting treatment to be followed as specified in the scheme is in accordance with the applicable accounting standards and generally accepted accounting principles in India and as such the treatment is not contrary to the provisions of the applicable Accounting Standards and practices.

Restriction on Use

- Our work was performed solely to assist you in meeting your responsibilities in relation to filing of the Scheme along with relevant documents with the relevant authorities. Our obligation in respect of this Certificate are entirely separate and our obligation and liability as Auditors are in no way changed or altered by this. Nothing in the Certificate, nor anything said or done in course of or in connection with the services that are subject of this Certificate will extend in duty of care, we may have in our capacity as Auditors of the Company.
- This Certificate has been issued to enable you to comply with the requirement in connection with the filing of the Scheme as stated above. This Certificate should therefore not to be used for any other purpose or by any person other than the addressees of this certificate. Accordingly, we do not accept or assume any liability or 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 save where expressly agreed by our prior consent in writing.

For Lodha & Co,
Chartered Accountants
Firm Registration Number: 301051E


H. K. Verma
Partner
Membership No: 055104
Place: Kolkata
Dated: September 01, 2020

