

# MEHTA CHOKSHI & SHAH LLP

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CHARTERED ACCOUNTANTS

To,  
The Board of Directors,  
**Shiva Realtors Suburban Private Limited,**  
7<sup>th</sup> floor, Resham Bhavan,  
Veer Nariman Road,  
Churchgate,  
Mumbai – 400 020

**Independent Auditors' Certificate certifying the proposed accounting treatment included in the Draft Composite Scheme of Amalgamation and Arrangement between Valor Estate Limited ("Amalgamated Company" or "Demerged Company"), Esteem Properties Private Limited ("Amalgamating Company") and Shiva Realtors Suburban Private Limited (being renamed as Advent Hotels International Private Limited) ("Resulting Company") and their respective shareholders and creditors (draft "Scheme") in terms of the provisions of section(s) 230 to 232 read with section 52 and 66 and other applicable provisions of the Companies Act, 2013 (the "Act")**

1. We, the statutory auditors of Shiva Realtors Suburban Private Limited (hereinafter referred to as the "**Company**") have been requested by the management of Company to issue a certificate in relation to the proposed accounting treatment specified in Clause 22.2 of the draft Scheme, in terms of the provisions of Section 230 to 232 read with section 52 and 66 and other applicable provisions of the Companies Act, 2013 ("**Act**") and rules made thereunder with reference to its compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder ("**SEBI LODR Regulations**") and the applicable Indian Accounting Standards ("**Ind AS**") specified under Section 133 of the Act and other Generally Accepted Accounting Principles in India.

## **Management's Responsibility**

2. The preparation of the draft Scheme and its compliance with the relevant provision of the Act, the SEBI LODR Regulations, 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 management of the Companies involved, including the preparation and maintenance of all accounting and other relevant supporting records and documents.
3. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the draft Scheme including the accounting treatment as reproduced in "Appendix I" and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
4. The Company's management is also responsible for ensuring that the Company complies with the requirements of the Act, the SEBI LODR Regulations and for providing all relevant information to the NCLT, the Bombay Stock Exchange of India Limited ("**BSE**"), and the National Stock Exchange of India Limited ("**NSE**").

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602-603-604, 6<sup>th</sup> Floor,  
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B/s. Swaminarayan Temple,  
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**Auditor's Responsibility**

5. Pursuant to the requirements of provisions of Section 232 of the Act and the SEBI LODR Regulations our responsibility is to provide a reasonable assurance whether the proposed accounting treatment specified in Clause 22.2 - Accounting Treatment of the Draft Scheme and extract of which is reproduced in "Appendix I" to this certificate is in conformity with the SEBI LODR Regulations and Ind AS prescribed under Section 133 of the Act read with the rules issued thereunder and other Generally Accepted Accounting Principles in India.
6. We conducted our examination of the proposed accounting treatment referred to in Clause 22.2 of the draft Scheme in accordance with the Guidance Note on Reports or Certificates for Special Purposes ("**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.
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.

**Opinion**

8. Based on our examination and according to the information and explanations given to us and appropriate representations obtained from the Company, we confirm that the proposed accounting treatment specified in Clause 22.2 – Accounting Treatment of the draft Scheme and the extract of which is reproduced in "Appendix I" to this certificate initialled by us for the purpose of identification only, is in conformity with the SEBI LODR Regulations and Ind AS 103 prescribed under Section 133 of the Act and other generally accepted accounting principles in India.

**Restriction to use**

9. This Certificate is issued at the request of management of the Company solely for the purpose of onward submission by the Company to the BSE, NSE, Securities and Exchange Board of India ("**SEBI**"), the National Company Law Tribunal ("**NCLT**") and any other regulatory authorities in relation to the draft Scheme pursuant to the requirements of the SEBI LODR Regulations and the Act read with relevant Rules made thereunder. This Certificate should not be used 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 Mehta Chokshi and Shah LLP**

Chartered Accountants

Firm Registration No.: 106201W/W100598

**Chetan M. Shah**

Partner

Membership No.: 047178

Place: Mumbai

Date: 6<sup>th</sup> June, 2024

UDIN: 24047178BKELWM3544

**Appendix I****Extract of the draft Scheme (Clause 22)****22 ACCOUNTING TREATMENT BY THE DEMERGED COMPANY AND THE RESULTING COMPANY IN RESPECT OF THEIR RESPECTIVE BOOKS OF ACCOUNTS****22.1 Accounting treatment in the books of the Demerged Company:**

- 22.1.1 The Demerged Company shall, upon the Scheme becoming effective, reduce the carrying values of the assets and liabilities of the Demerged Undertaking vested in the Resulting Company pursuant to this Scheme at their respective book values as on the Effective Date;
- 22.1.2 Inter-company balances and transaction between the Resulting Company and the Demerged Undertaking of the Demerged Company, if any, including inter-company investments shall stand cancelled; and
- 22.1.3 The difference being the excess of the carrying value of assets over the book value of the liabilities pertaining to the Demerged Undertaking and demerged from the Demerged Company pursuant to this Scheme after giving effect to Clause 22.1.2 shall be recognized in 'Other Equity', and will be adjusted firstly to the balance in capital reserves of the Demerged Company and the balance difference, if any against Securities Premium Account.

**22.2 Accounting treatment in the books of the Resulting Company:**

- 22.2.1 Upon the coming into effect of this Scheme, the Resulting Company shall record the assets and liabilities of the Demerged Undertaking at their respective book values, as on the Effective Date in the books of the Demerged Company
- 22.2.2 The identity of the reserves of the Demerged Company in relation to the Demerged Undertaking shall be preserved and the Resulting Company shall record the reserves of the Demerged Company in relation to the Demerged Undertaking, at the book values thereof and in the same form as appearing in the financial statement of the Demerged Company.
- 22.2.3 The Resulting Company shall credit to its share capital account, the aggregate face value of the Resulting Company New Equity Shares and Resulting Company New Preference Shares issued by it pursuant to Clause 20.1 of this Scheme;
- 22.2.4 Inter-company balances and transaction between the Resulting Company and the Demerged Undertaking of the Demerged Company, if any, including inter-company investments will stand cancelled;
- 22.2.5 The difference between value of assets and liabilities of the Demerged Undertaking as recorded by the Resulting Company after considering effect of Clause 22.2.2, Clause 22.2.3 and Clause 22.2.4 shall be adjusted as capital reserve; and
- 22.2.6 When the financial statements will be prepared under the Indian Accounting Standards ("Ind AS"), as per Ind AS 103, the financial information in the financial statements in respect of prior periods (prior to the Effective Date) shall be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.