

Certificate no.: 154 / 2024-25

To
The Board of Directors,
Kamat Hotels (India) Limited,
70-C, Nehru Road,
Vile Parle (E),
Mumbai – 400028, India

1. Independent auditor's certificate on the proposed accounting treatment specified in the proposed Scheme of Merger by absorption and the capability of payment of interest / repayment of principal with SEBI listing Regulations and Circulars

We, the statutory auditors of the Kamat Hotels (India) Limited ("the Company"), have been requested by the Board of Directors of the Company to provide a certificate :

- (a) that the proposed accounting treatment specified in Clause 7 of Part II of the proposed Scheme of Merger by absorption ("the Scheme") between Kamat Hotels (India) Limited ("Transferee Company") and Savarwadi Rubber Agro Private Limited ("First Transferor company") and Treeo Resort Private Limited ("Second Transferor Company") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act") together with the rules and regulations thereunder, is in accordance with the applicable Indian Accounting Standards as notified under Section 133 of the Act read with rules made thereunder and other generally accepted accounting principles in India.
- (b) The accompanying Declaration prepared by the management of the Company, certifying that the Company is capable of payment of Interest / repayment of principal of Non-convertible Debentures ("NCDs") being outstanding as on 31st March, 2024.

The certificate is required for submission to the Bombay Stock Exchange, National Stock Exchange and Hon'ble National Company Law Tribunal, Mumbai Bench, along with the scheme, pursuant to requirement of the Companies Act, 2013 and SEBI listing Regulations and Circulars.

2. Management's Responsibility

The Board of Directors are responsible for the preparation of the Scheme and its compliance with the relevant laws and regulations and ensuring the proposed accounting treatment is in accordance with applicable Indian Accounting Standards as notified under Section 133 of the Act, read with rules made thereunder and other Generally Accepted Accounting Principles in India and other relevant provisions of the Act, wherever applicable. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the proposed Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

3. Auditor's Responsibility

- a) Our responsibility is to examine that:
 - i. the proposed accounting treatment referred in the proposed Scheme is in conformity with the Indian Accounting Standards as notified under section 133 of the Act, read with rules made thereunder and other Generally Accepted Accounting Principles and other relevant provisions of the Act wherever applicable. 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 to any duty of care that we may have in our capacity as the statutory auditor of any financial statements of the Company. For the purpose of our certificate, we have additionally relied on the proposed Scheme certified by the Company's management and Board resolution considering and approving the proposal of proposed Scheme.
 - ii. Based on procedures performed and declaration received from the management, whether anything has come to our attention that causes us to believe that the Company is not capable of payment of interest / repayment of principal of NCD as on issuance of this certificate.
- b) We have examined the proposed accounting treatment contained in Clause 7 of Part II of the proposed Scheme with reference to its compliance with the applicable Indian Accounting Standards notified under the Act and other Generally Accepted Accounting Principles, to the extent applicable to the Company.
- c) A limited assurance engagement involve performing the following procedures to obtain sufficient appropriate evidence on the reporting criteria as mentioned in paragraph a) (ii) above.
 - i. Obtained list of NCD outstanding as on the date of the certificate
 - ii. Obtained the Sanction letter of Axis Finance Limited for loan facility aggregating to Rs. 200 crores.
 - iii. Obtained the availability of funds with the company as on the date of the certificate.
- d) We have carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
- e) We have complied with 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 Service Engagements.

4. Conclusion

Based on our examination as above and according to the information and explanations given to us, along with representation provided to us by the management, we hereby state that:

- i. the proposed accounting treatment specified in Clause 7 of part II of the proposed Scheme is in accordance with Appendix C (Business Combination of entities under common control) of Indian Accounting Standards – 103 (Business Combinations) as notified under section 133 of the Act read with rules made thereunder and other Generally Accepted Accounting Principles in India.

Further with respect to cancellation of share capital of transferee company as specified in clause 6 and clause 7.4 of part II, there is no accounting treatment which has been prescribed in the Indian Accounting Standards and in our opinion the proposed accounting treatment specified in the proposed Scheme is in line with the Generally Accepted Accounting Principles in India.

For ease of reference, Clause 7 of part II of the proposed Scheme is reproduced and attached as “Annexure A” to this certificate and is stamped by us for identification purposes only.

- ii. Along with the procedures performed as stated in paragraph 3(c) above, nothing has come to our attention that causes us to believe that the Company is not capable of payment of interest / repayment of principle of NCDs outstanding as on the date of issuance of the certificate.

For ease of reference, a declaration received from the management stating capability of payment of interest and repayment of principal of NCDs attached as “Annexure B” to this certificate.

5. Restriction on use

As stated in the certificate is issued at the specific request of the Company solely for the purpose of their record to comply with the provisions of Section 230 to 232 of the Act and SEBI regulation and for onward submission to the BSE, NSE, NCLT and the relevant statutory authorities as may be necessary to give effect to the proposed Scheme. This certificate should not be used for any other purpose or to be distributed to any other parties without our prior written consent. Accordingly, we do not accept or assume 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 N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No. 116560W/W100149

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Milan Mody

Partner

Membership Number: 103286

UDIN: 24103286BKEMYB1087

Place: Mumbai

Date: 28th June, 2024

Annexure A

Relevant extract from the proposed Scheme of Merger by absorption (“the Scheme”) between Kamat Hotels (India) Limited (“Transferee Company”) and Savarwadi Rubber Agro Private Limited (“First transferor company”) and Treeo Resort Private Limited (“Second transferor company”) under Part II of the Scheme.

On this Scheme taking effect, the Transferee Company shall account for Amalgamation of the Transferor Company with the Transferee Company in its books of accounts as under:

- 7.1 Upon this Scheme becoming effective on the Effective Date, the Amalgamation of the Transferor Companies with the Transferee Company shall be accounted for in accordance with the applicable provisions of the Act; Accounting Standards prescribed under Section 133 of the Act; and Generally Accepted Accounting Principles in India (Indian GAAP), as the case may be. The Transferee Company shall give effect of this Scheme in its Books of Accounts in accordance with accounting prescribed under “Pooling of Interest” method in the Indian Accounting Standard (Ind AS) 103- Business Combinations as notified under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standard) Rules, 2015, as amended, Notwithstanding anything above, the Transferee Company, in consultation with their statutory auditors, are authorised to account for this Scheme and effect thereof in any manner whatsoever as may be deemed fit in accordance with applicable accounting standards.
- 7.2 Transferee Company shall, upon the Scheme becoming effective, record the assets and liabilities of the Transferor Companies (as appearing in the books of accounts of respective Transferor Companies at the close of business on the day preceding the Appointed Date) as vested in Transferee Company, at the respective book values thereof.
- 7.3 If and to the extent there are inter-corporate loans, advances, deposits or balances as between the Transferor Companies and the Transferee Company inter-se, the obligations in respect thereof shall, on and from the Appointed Date, come to an end and corresponding suitable effect shall be given in the books of accounts and records of the Transferee Company. Further for the removal of doubts, it is clarified that from the Appointed Date there would be no accrual of interest or other charges in respect of any deposits / loans and advances balances and obligations between and amongst the Transferor Companies and the Transferee Company.
- 7.4 The share capital of the Transferor Companies held by the Transferee Company, or the share capital of the Transferee company held by the Transferor companies, or the share capital held by the Transferor Companies inter-se shall, upon this Scheme becoming effective, automatically stand cancelled with effect from the Appointed Date.
- 7.5 The face value of equity shares issued by the Transferee Company to the shareholders of the Transferor Companies will be recorded as equity share capital of the Transferee Company.
- 7.6 The identity of the reserves of the Transferor Companies, if any and to the extent deemed appropriate by the Board of Directors, shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner, in which they appeared in the financial statements of the Transferor Companies. Accordingly, if there is any reserve in the financial statements of the Transferor Companies available for distribution whether as bonus shares or dividend or otherwise, the same would also be available in the financial statements of the Transferee Company for such distribution.
- 7.7 Upon the Scheme becoming effective, the difference, if any, between the value of total assets and total liabilities as recorded in the Transferee Company, pursuant to Clause 7.2 above, after adjusting for the face value of equity shares issued pursuant to Clause 7.5 above, and after adjusting the inter-company balance, pursuant to Clause 7.3 above and after adjusting for the treatment of reserves in Clause 7.6 above, shall be recorded as and credited to or debited to the Capital Reserve Account, as the case may be.

N. A. SHAH ASSOCIATES LLP
Chartered Accountants

- 7.8 In case of any differences in accounting policies between the Transferor Companies and the Transferee Company, impact of the same till the Appointed Date will be quantified and the same shall be appropriately adjusted and reported in accordance with applicable accounting rules and principles, so as to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policies.
- 7.9 All costs and expenses incurred whether of the Transferor Companies or of the Transferee Company, incidental with the finalization of this Scheme and to put it into operation, including all advisory fees and charges and expenses attributable to implementation of this Scheme, shall be borne by the Transferee Company and adjusted in the books of the Transferee Company on completion of this Scheme.

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“Asia’s Pioneering Hospitality Chain of Environmentally Sensitive Hotels & Resorts”

Annexure B

28th June, 2024

N. A. Shah Associated LLP
B-21-25, Paragon Centre,
Pandurang Budhkar Marg
Worli, Mumbai 400 013

Declaration on Kamat Hotels (India) Limited (“Company”) capability of payment of interest and repayment of principal of NCDs

Dear Sir,

The details of outstanding principal amount of NCDs, interest on NCDs, funds available with the company and the balance facility available from Axis Finance Limited are as follows.

(Rs. in crores)

Sr. No.	Particulars	Amount
1	Outstanding Principal Amount of NCD	57.98
2	Outstanding coupon rate of interest on NCD	Nil
	Total (A)	57.98
3	Funds available in Lenders (NCDs) Escrow Accounts (B)	47.65
4	<u>Undrawn Facility from Axis Finance Limited</u>	
	Sanctioned amount of Rupee term loan	194.25
	Less: Amount already withdraw for payment of debenture holders	114.00
	Balance available undrawn facility (C)	80.25
	Total (B + C)	127.90

Based on the information as stated above management of the Company hereby confirm that the total outstanding principal as well as interest of NCDs will get discharged in due course.

For Kamat Hotels (India) Ltd



Smita Nanda
Chief Financial Officer



Nikhil Singh
Company Secretary

Date: 28th June, 2024
Place: Mumbai

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