

Independent Auditor's Certificate on the accounting treatment contained in the proposed scheme of arrangement entered amongst Shankara Building Products Limited ("Demerged Company") and Shankara Buildpro Limited ("Resulting Company") and their respective shareholders and creditors under section(s) 230-232 and other applicable provisions of the Companies Act, 2013 read with relevant rules made thereunder.

To,
The Board of Directors,
Shankara Building Products Limited
G-2 Farah Winsford, No.133,
Infantry Road, Bengaluru,
Karnataka, India – 560001

We, the statutory auditors of Shankara Building Products Limited, Bengaluru (hereinafter referred to as "**the Company**" or "**the Demerged Company**"), have examined the proposed accounting treatment specified in clause 19 of the draft scheme of arrangement (hereinafter referred to as "**the Draft Scheme**") between the Company and Shankara Buildpro Limited, Bengaluru ("**the Resultant Company**") (collectively referred to as "**the Companies**") and their respective shareholders and creditors in terms of the provisions of section(s) of 230 to 232 of the Companies Act, 2013 ("**the Act**") with reference to its compliance with the applicable Accounting Standards notified under the Act and Other Generally Accepted Accounting Principles in India.

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting

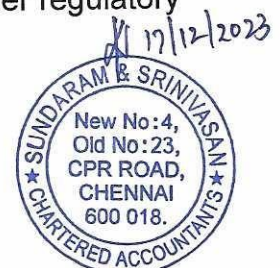


Independent Auditor's Certificate on the accounting treatment contained in the proposed scheme of arrangement entered amongst Shankara Building Products Limited ("Demerged Company") and Shankara Buildpro Limited ("Resulting Company") and their respective shareholders and creditors under section(s) 230-232 and other applicable provisions of the Companies Act, 2013 read with relevant rules made thereunder.

Principles. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid Draft Scheme is in compliance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI LODR Regulations") and circulars issued thereunder and all the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013.

This Certificate read with the notes attached in Appendix 1 below is issued at the request of Shankara Building Products Limited, Bengaluru pursuant to the requirements of circulars issued under SEBI LODR Regulations for onward submission to the BSE Limited, the National Stock Exchange of India Limited and further onward submission with the SEBI, the National Company Law Tribunal, Bengaluru Bench, Regional Director, Registrar of Companies and/or other regulatory authorities in connection with the Draft Scheme.



Independent Auditor's Certificate on the accounting treatment contained in the proposed scheme of arrangement entered amongst Shankara Building Products Limited ("Demerged Company") and Shankara Buildpro Limited ("Resulting Company") and their respective shareholders and creditors under section(s) 230-232 and other applicable provisions of the Companies Act, 2013 read with relevant rules made thereunder.

This Certificate should not be used for any other purpose without our prior written consent.

This Certificate should be read together with Annexure A, attached.

For M/s Sundaram & Srinivasan,

Chartered Accountants

Firm Registration No.: 004207S



K Srinivasan

Partner

Membership Number: 209120

ICAI UDIN: 23209120BGSIPM1734

Place: Chennai

Date: 17th December, 2023



Independent Auditor's Certificate on the accounting treatment contained in the proposed scheme of arrangement entered amongst Shankara Building Products Limited ("Demerged Company") and Shankara Buildpro Limited ("Resulting Company") and their respective shareholders and creditors under section(s) 230-232 and other applicable provisions of the Companies Act, 2013 read with relevant rules made thereunder.

**Appendix 1 to our certificate on the accounting treatment
Notes to Independent Auditor's Certificate**

1. This Certificate is issued in accordance with the terms of our engagement letter dated 14th December, 2023 with Shankara Building Products Limited, Bengaluru
2. For ease of reference, the Clause 19 of the Draft Scheme relating to the proposed accounting treatment in the books of account of the Demerged Company, duly authenticated by the Company's management, is reproduced in Annexure A to this Certificate and is initialled by us only for the purposes of identification.

Management's Responsibility

3. The preparation of the Draft Scheme is the responsibility of the management of the company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Draft Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Draft Scheme is proposed to be approved by the Board of Directors in their Board Meeting to be held on 18th December, 2023.



Independent Auditor's Certificate on the accounting treatment contained in the proposed scheme of arrangement entered amongst Shankara Building Products Limited ("Demerged Company") and Shankara Buildpro Limited ("Resulting Company") and their respective shareholders and creditors under section(s) 230-232 and other applicable provisions of the Companies Act, 2013 read with relevant rules made thereunder.

4. The management of the Company is also responsible for ensuring that the Company complies with the relevant laws and regulations, including the applicable accounting standards as aforesaid and provide relevant information to the National Company Law Tribunal and any other regulatory authority in connection with the Draft Scheme.

Auditors' Responsibility

5. Our responsibility is to provide reasonable assurance in the form of certification [pursuant to the requirements of section 230 of the Act and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016] on whether the accounting treatment as contained in the Annexure A is in compliance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules made thereunder, as amended from time to time and other generally accepted accounting principles in India.



Independent Auditor's Certificate on the accounting treatment contained in the proposed scheme of arrangement entered amongst Shankara Building Products Limited ("Demerged Company") and Shankara Buildpro Limited ("Resulting Company") and their respective shareholders and creditors under section(s) 230-232 and other applicable provisions of the Companies Act, 2013 read with relevant rules made thereunder.

6. We conducted 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"). 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.

8. Our examination did not extend to any aspects of a legal or propriety nature of the Draft Scheme and other compliances thereof. 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.



Independent Auditor's Certificate on the accounting treatment contained in the proposed scheme of arrangement entered amongst Shankara Building Products Limited ("Demerged Company") and Shankara Buildpro Limited ("Resulting Company") and their respective shareholders and creditors under section(s) 230-232 and other applicable provisions of the Companies Act, 2013 read with relevant rules made thereunder.

9. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the applicable criteria mentioned in paragraph 5 above. The procedures selected depend on the auditor's judgment including the assessment of the risks associated with the applicable criteria. Accordingly, our procedures included the following:

- a) Obtaining and reading the Draft Scheme and the proposed accounting treatment specified therein.
- b) Obtained a representation stating that the Draft Scheme will be approved by the Board of Directors in their meeting slated for 18th December, 2023.
- c) Examining whether the proposed accounting treatment as per clause 19 of the Draft Scheme is in compliance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules made thereunder, as amended from time to time and other generally accepted accounting principles in India.
- d) Performing necessary inquiries with the management and obtained necessary representations from the management.



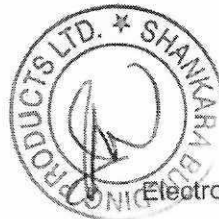
Annexure A

Relevant extract of clause 19 to the Draft Scheme of Arrangement between Shankara Building Products Limited ("Demerged Company"), Shankara Buildpro Limited ("Resulting Company"), and their respective shareholders and creditors in terms to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act")

EXTRACT OF ACCOUNTING TREATMENT FROM DRAFT SCHEME OF ARRANGEMENT ENTERED AMONGST SHANKARA BUILDING PRODUCTS LIMITED ("DEMERGED COMPANY") AND SHANKARA BUILDPRO LIMITED ("RESULTING COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS (UNDER SECTION(S) 230-232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013)

19. ACCOUNTING TREATMENT PURSUANT TO THE SCHEME

19.1 The accounting treatment for the demerger of the Demerged Undertaking in the books of the Demerged Company and the Resulting Company shall be in compliance with the standards of accounting or any addendum thereto as notified under Section 133 of the Act read with the Companies (Accounts) Rules, 2014 or Companies (Indian Accounting Standards) Rules, 2015 or any other relevant or related requirement under the Act and other generally accepted accounting principles.



Registered Office :
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Ph.: + 91- 080-40117777,

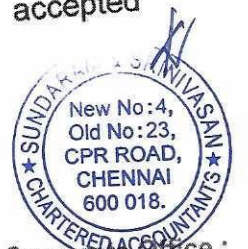
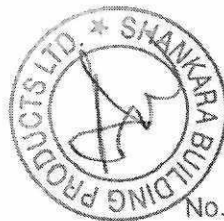
Corporate Office :
No. 21/1 & 35-A-1, Hosur Main Road,
Electronic City, Veerasandra, Bengaluru-560100
Ph.: +91-080-29910702 | 080-29910709

19.2 The amount of any inter-company balances and loans or advances between the Demerged Undertaking and the Resulting Company, if any, shall stand cancelled without any further act or deed, upon the Scheme coming into effect, and the amounts so cancelled shall not be recorded in the books of account of the Resulting Company.

In the books of the Demerged Company:

a) The assets and the liabilities of the Demerged Undertaking shall be transferred to the Resulting Company at the carrying values appearing in books of accounts of the Demerged Company as on the Appointed Date and correspondingly reduced from its books of account, the carrying values of assets and the liabilities so transferred.

b) With effect from the Appointed Date, the Demerged Company shall account for the demerger of Demerged Undertaking in its books of account in compliance with the standards of accounting or any addendum thereto, as notified under Section 133 of the Act read with the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standards) Rules, 2015 (as may be applicable) and in accordance with prevailing guidelines and generally accepted accounting principles in India.



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Ph.: +91-080-29910702 | 080-29910709

- e) The difference between the amount of assets and liabilities so transferred shall be adjusted against retained earnings of the Demerged Company.

For Shankara Building Products Limited



Alex Varghese

Chief Financial Officer

16th December, 2023

Bangalore



ANNEXURE-10B

Email : sundaramandsrinivasan1948@gmail.com
yessendes@sundaramandsrinivasan.com
Website : www.sundaramandsrinivasan.com

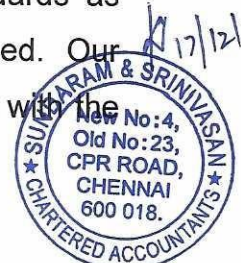
Date

Independent Auditor's Certificate on the accounting treatment contained in the proposed scheme of arrangement entered amongst Shankara Building Products Limited ("Demerged Company") and Shankara Buildpro Limited ("Resulting Company") and their respective shareholders and creditors under section(s) 230-232 and other applicable provisions of the Companies Act, 2013 read with relevant rules made thereunder

To,
The Board of Directors,
Shankara Buildpro Limited
21/1 & 35-A-1 Hosur Road,
Electronic City, Bengaluru,
Karnataka, India – 560100

We, the statutory auditors of Shankara Buildpro Limited, Bengaluru (hereinafter referred to as "**the Company**" or "**the Resultant Company**"), have examined the proposed accounting treatment specified in clause 19 of the draft scheme of arrangement (hereinafter referred to as "**the Draft Scheme**") between the Company and Shankara Building Products Limited, Bengaluru ("**the Demerged Company**") ("collectively referred to as "**the Companies**") and their respective shareholders and creditors in terms of the provisions of section(s) of 230 to 232 of the Companies Act, 2013 ("**the Act**") with reference to its compliance with the applicable Accounting Standards notified under the Act and Other Generally Accepted Accounting Principles in India.

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is to examine and report whether the Draft Scheme complies with the



Independent Auditor's Certificate on the accounting treatment contained in the proposed scheme of arrangement entered amongst Shankara Building Products Limited ("Demerged Company") and Shankara Buildpro Limited ("Resulting Company") and their respective shareholders and creditors under section(s) 230-232 and other applicable provisions of the Companies Act, 2013 read with relevant rules made thereunder

applicable Accounting Standards and Other Generally Accepted Accounting Principles. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid Draft Scheme is in compliance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI LODR Regulations") and circulars issued thereunder and all the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013

This Certificate read with the notes attached in Appendix 1 below is issued at the request of Shankara Buildpro Limited, Bengaluru pursuant to the requirements of circulars issued under SEBI LODR Regulations for onward submission to the BSE Limited, the National Stock Exchange of India Limited and further onward submission with the SEBI, the National Company Law Tribunal, Bengaluru Bench, Regional Director, Registrar of Companies and/or other regulatory authorities in connection with the Draft Scheme.



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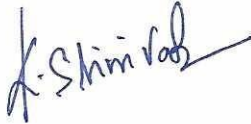
This Certificate should not be used for any other purpose without our prior written consent.

This Certificate should be read together with Annexure A, attached.

For M/s Sundaram & Srinivasan,

Chartered Accountants

Firm Registration No.: 004207S



K Srinivasan

Partner

Membership Number: 209120

ICAI UDIN: 23209120BGSIPN7130

Place: Chennai

Date: 17th December, 2023



Independent Auditor's Certificate on the accounting treatment contained in the proposed scheme of arrangement entered amongst Shankara Building Products Limited ("Demerged Company") and Shankara Buildpro Limited ("Resulting Company") and their respective shareholders and creditors under section(s) 230-232 and other applicable provisions of the Companies Act, 2013 read with relevant rules made thereunder

Appendix 1 to our certificate on the accounting treatment

Notes to Independent Auditor's Certificate

1. This Certificate is issued in accordance with the terms of our engagement letter dated 14th December, 2023 with Shankara Buildpro Limited, Bengaluru
2. For ease of reference, the Clause 19 of the Draft Scheme relating to the proposed accounting treatment in the books of account of the Resulting Company, duly authenticated by the Company's management, is reproduced in Annexure A to this Certificate and is initialled by us only for the purposes of identification.

Management's Responsibility

3. The preparation of the Draft Scheme is the responsibility of the management of the company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Draft Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Draft Scheme is

Independent Auditor's Certificate on the accounting treatment contained in the proposed scheme of arrangement entered amongst Shankara Building Products Limited ("Demerged Company") and Shankara Buildpro Limited ("Resulting Company") and their respective shareholders and creditors under section(s) 230-232 and other applicable provisions of the Companies Act, 2013 read with relevant rules made thereunder

proposed to be approved by the Board of Directors in their Board Meeting to be held on 18th December, 2023.

4. The management of the Company is also responsible for ensuring that the Company complies with the relevant laws and regulations, including the applicable accounting standards as aforesaid and provide relevant information to the NCLT and any other regulatory authority in connection with the Draft Scheme.

Auditors' Responsibility

5. Our responsibility is to provide reasonable assurance in the form of certification [pursuant to the requirements of section 230 of the Act and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016] on whether the accounting treatment as contained in the Annexure A is in compliance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules made thereunder, as amended from time to time and other generally accepted accounting principles in India.

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6. We conducted 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"). 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.

8. Our examination did not extend to any aspects of a legal or propriety nature of the Draft Scheme and other compliances thereof. 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.

Independent Auditor's Certificate on the accounting treatment contained in the proposed scheme of arrangement entered amongst Shankara Building Products Limited ("Demerged Company") and Shankara Buildpro Limited ("Resulting Company") and their respective shareholders and creditors under section(s) 230-232 and other applicable provisions of the Companies Act, 2013 read with relevant rules made thereunder

9. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the applicable criteria mentioned in paragraph 5 above. The procedures selected depend on the auditor's judgment including the assessment of the risks associated with the applicable criteria. Accordingly, our procedures included the following:

- a) Obtaining and reading the Draft Scheme and the proposed accounting treatment specified therein.
- b) Obtained a representation stating that the Draft Scheme will be approved by the Board of Directors in their meeting slated for 18th December, 2023.
- c) Examining whether the proposed accounting treatment as per clause 19 of the Draft Scheme is in compliance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules made thereunder, as amended from time to time and other generally accepted accounting principles in India.
- d) Performing necessary inquiries with the management and obtained necessary representations from the management

Relevant extract of clause 19 to the Draft Scheme of Arrangement between Shankara Building Products Limited (“Demerged Company”), Shankara Buildpro Limited (“Resulting Company”), and their respective shareholders and creditors in terms to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 (“the Act”)

Annexure A

EXTRACT OF ACCOUNTING TREATMENT FROM DRAFT SCHEME OF ARRANGEMENT ENTERED AMONGST SHANKARA BUILDING PRODUCTS LIMITED (“DEMERGED COMPANY”) AND SHANKARA BUILDPRO LIMITED (“RESULTING COMPANY”) AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS (UNDER SECTION(S) 230-232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013)

19. ACCOUNTING TREATMENT PURSUANT TO THE SCHEME

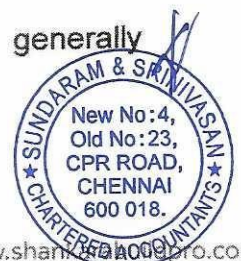
19.1 The accounting treatment for the demerger of the Demerged Undertaking in the books of the Demerged Company and the Resulting Company shall be in compliance with the standards of accounting or any addendum thereto as notified under Section 133 of the Act read with the Companies (Accounts) Rules, 2014 or Companies (Indian Accounting Standards) Rules, 2015 or any other relevant or related requirement under the Act and other generally

Registered Office :

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CIN:U24311KA2023PTC179791



accepted accounting principles.

19.2 The amount of any inter-company balances and loans or advances between the Demerged Undertaking and the Resulting Company, if any, shall stand cancelled without any further act or deed, upon the Scheme coming into effect, and the amounts so cancelled shall not be recorded in the books of account of the Resulting Company.

In the books of the Resulting Company:

- a) Upon coming into effect of this Scheme and upon the arrangement becoming operative, the Resulting Company shall record the assets and liabilities comprised in the Demerged Undertaking transferred to and vested in it pursuant to this Scheme, at the respective carrying values as appearing the books of the Demerged Company;
- b) The Resulting Company shall credit the share capital account in its books of account with the aggregate face value of the Equity Shares of the Resulting Company issued to the shareholders of the Demerged Company; and
- c) Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Resulting Company shall account the transaction in accordance

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with the standards of accounting or any addendum thereto as notified under Section 133 of the Act read with the Companies (Accounts) Rules, 2014 or Companies (Indian Accounting Standards) Rules, 2015 (as may be applicable) and in accordance with prevailing guidelines and generally accepted accounting principles in India.

The excess or deficit, if any, remaining after recording the aforesaid entries shall be credited/debited by the Resulting Company to the 'capital reserve account'.

For Shankara Buildpro Limited



Sukumar Srinivas

Managing Director

16th December, 2023

Bangalore



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