



**AGARWAL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

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To,

**The Board of Directors,**

**KSR Footwear Limited,**

Flat No. 4A, Kalyani Complex,

P-22, Block-A, Bangur Avenue,

North 24 Parganas, 700 055.

**Independent Auditor's Certificate on the proposed accounting treatment specified in the Draft Scheme of Arrangement between KSR Footwear Limited, Khadim India Limited and their respective shareholders and creditors**

1. This certificate is issued in accordance with the terms of our engagement letter dated 04-09-2023 with KSR Footwear Limited (hereinafter the 'Company' or 'KFL' or the '**Resulting Company**') in accordance with Sections 230 to Section 232 of the Companies Act, 2013 ('the Act').
2. We, **AGARWAL & ASSOCIATES**, the Statutory Auditors of KSR Footwear Limited have examined the proposed accounting treatment specified in Clause 14 'Accounting Treatment' of the Draft Scheme of Arrangement ('**Draft Scheme**') between the Company, Khadim India Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Act with reference to its compliance with the applicable Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 (the '**applicable Indian Accounting Standards**'), and other generally accepted accounting principles.

**Management's responsibility**

3. The responsibility for the preparation of the Draft Scheme and its compliance with the provision of the Act, Rules and other relevant laws and regulations, including the applicable Indian Accounting Standards read with rules issued thereunder and other generally accepted accounting principles as aforesaid, is that of the Board of Directors of the Company. 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.



29/9/23.

### Auditor's responsibility

4. Our responsibility pursuant to the requirements prescribed under section 232 of the Act and part of SEBI master circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ('**SEBI Master Circular**') is to examine and report whether the accounting treatment referred to in Clause 14 of the Draft Scheme referred to above, complies with the applicable Indian Accounting Standards and other generally accepted accounting principles. 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.
5. We conducted our examination of the proposed accounting treatment specified in Clause 14 of the Draft Scheme as reproduced in Annexure to the certificate, in accordance with the Guidance Note on Reports or Certificates for Special Purposes (the 'Guidance Note') 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. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by 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. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Scheme.

### Opinion

7. Based on our examination and according to the information and explanations given to us, in our opinion, the proposed accounting treatment as specified in clause 14 of the Draft Scheme, attached as an Annexure herewith and signed by us for identification purpose only, is in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable Indian Accounting Standards notified by the Central Government under the Companies Act, 2013 and other generally accepted accounting principles in India.
8. For ease of reference, Clause 14 of the Scheme, duly authenticated on behalf of the Company, is reproduced in **Annexure** to this Certificate and is initialed by us only for the purposes of identification.



**Restriction on Use**

9. This certificate has been issued at the request of **KSR Footwear Limited** pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for onward submission by the Company to the Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited, Company Law Tribunal(s), Regional Director and Registrar of Companies and such other statutory or regulatory authorities as may be required in connection with the Scheme. This certificate should not be used, quoted or referred for any other purpose 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 person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For Agarwal & Associates**

**Chartered Accountants**

**Firm Registration Number: 0323210E**

*Naresh Agarwal*

CA Naresh Agarwal

Partner

Membership No: 063049

UDIN: 23063049BGWQPN8796



Place: Kolkata

Date: 29.09.2023

# KSR FOOTWEAR LIMITED

CIN: U46413WB2023PLC264443

Registered Office : Flat No. 4A, 4th Floor, Kalyani Complex,  
P-22, Block-A, Bangur Avenue, Kolkata-700055

E-mail- ksr082023@gmail.com

Annexure

**Relevant extract of clause 14 to the Draft Scheme of Arrangement between Khadim India Limited ('Demerged Company') and KSR Footwear Limited ('Resulting Company') and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('Act')**

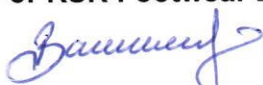
## Clause 14: Accounting Treatment

14.1 The Demerged Company and the Resulting Company shall account for the Scheme in their respective books / financial statements in accordance with applicable Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, and Generally Accepted Accounting Principles in India, as amended from time to time including as provided herein below:

### Accounting treatment in the books of the Resulting Company:

- 14.1.5 The Resulting Company shall record the assets, liabilities and identified reserves pertaining to the Demerged Undertaking, transferred to and vested in it at their respective carrying values as appearing in the books of the Demerged Company.
- 14.1.6 Loans and advances, receivables, payables and other dues outstanding between the Demerged Company and the Resulting Company relating to the Demerged Undertaking will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 14.1.7 The Resulting Company shall credit to its share capital in its books of accounts the aggregate face value of equity shares issued by it to the shareholders of the Demerged Company pursuant to Clause 11 of this Scheme.
- 14.1.8 The excess/deficit if any, of the net assets transferred to the Resulting Company pursuant to Clause 14.1.5 after giving effect to Clause 14.1.6 and Clause 14.1.7, shall be transferred to the Capital Reserve of the Resulting Company.
- 14.1.9 In case of any difference in accounting policy between the Demerged Company and the Resulting Company, the accounting policies followed by the Resulting Company shall prevail and the difference shall be adjusted appropriately as per the applicable Ind-AS.
- 14.1.10 The Resulting Company's share capital cancelled pursuant to Clause 12 shall be credited to the Capital Reserve account.
- 14.1.11 On the Effective Date, the financial information in the financial statements in respect of prior periods will be restated as if the demerger had occurred from the beginning of the preceding period or the date of incorporation of the Resulting Company, whichever is later, irrespective of the actual date of the combination.

### For KSR Footwear Limited



**Rittick Roy Burman**

**Director**

DIN: 08537366



**Date:** 29<sup>th</sup> September, 2023

**Place:** Kolkata