

**B S R & Co. LLP**

Chartered Accountants

**B S R & Co. LLP**

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To,

The Board of Directors  
Saregama India Limited  
33, Jessore Road, Dum Dum  
Kolkata – 700028

Date: 30 March 2022

**Independent Auditor's Certificate on the proposed accounting treatment specified in the Draft Scheme of Arrangement between Saregama India Limited and Digidrive Distributors Limited and their respective shareholders and creditors**

1. This certificate is issued in accordance with the terms of our engagement letter dated 18 December 2019 and addendum to the engagement letter dated 22 March 2022 with Saregama India Limited (hereinafter the "Company" or the "Demerged Company") in accordance with Sections 230 to Section 232 of the Companies Act, 2013 ("the Act").
2. We, B S R & Co. LLP, Chartered Accountants, the Statutory Auditors of Saregama India Limited (hereinafter the "Company" or the "Demerged Company"), have examined the proposed accounting treatment specified in Clause 8.1 'Accounting Treatment' of the Draft Scheme of Arrangement ("the Draft Scheme") between the Demerged Company and Digidrive Distributors Limited ("Resulting Company") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (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 accounting principles generally accepted in India read with the General Circular No. 09/2019 dated 21 August 2019 issued by the Ministry of Corporate Affairs ('MCA General Circular').
3. For ease of reference, the clause 8.1 of the Draft Scheme, duly authenticated by the Company, is reproduced in the attached Annexure to this certificate and has been initialed by us, only for the purpose of identification.

**Management's Responsibility**

4. 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 Companies involved. 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.

**Auditors' Responsibility**

5. Our responsibility is to examine and report whether the proposed accounting treatment referred to in Clause 8.1 of the Draft Scheme referred to above, complies with the applicable Indian Accounting Standards and other generally accepted accounting principles in India read with the General Circular No. 09/2019 dated 21 August 2019 issued by the Ministry of Corporate Affairs ('MCA General Circular'). 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. Further, our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Draft Scheme.

6. We conducted our examination of the proposed accounting treatment specified in Clause 8.1 of the Draft Scheme as reproduced in Annexure to the certificate, in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'), 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.
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, in our opinion, the proposed accounting treatment as specified in clause 8.1 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 read with the MCA General Circular.


### Restriction on Use

9. This certificate has been issued at the request of the Company and is addressed to and provided to the Board of Directors of the Company solely for the purpose mentioned in paragraph 2 above and for onward submission to the SEBI, Hon'ble National Law Company Tribunal or any other regulatory authorities /purposes pursuant to the requirements of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Circulars issued by SEBI from time to time as may be required to give effect to 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 **B S R & Co. LLP**  
*Chartered Accountants*  
ICAI Firm Registration No.: 101248W/W-100022



Kolkata  
30 March 2022

  
**Jayanta Mukhopadhyay**  
Partner  
Membership No: 055757  
UDIN: 22055757AFXENO9630



**RP-Sanjiv Goenka  
Group**

Growing Legacies



### Annexure

**Relevant extract of clause 8 to the Draft Scheme of Arrangement between Saregama India Limited (“Demerged Company”) and Digidrive Distributors 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 8: Accounting Treatment**

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 Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, and generally accepted accounting principles in India as amended from time to time including as provided herein below:


##### **8.1 Accounting treatment in the books of the Demerged Company:**

- 8.1.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Company shall reduce the book value of all assets, liabilities and balance in Other Comprehensive Income reserves pertaining to the Demerged Undertaking transferred to the Resulting Company from its books of accounts;
- 8.1.2 The Demerged Company shall derecognise the carrying amount of investments in the Resulting Company cancelled pursuant to the Scheme;
- 8.1.3 Loans and advances and other dues outstanding as on the Appointed Date between the Demerged Company pertaining to the Demerged Undertaking and the Resulting Company will stand cancelled and there shall be no further obligation/ outstanding in that behalf;
- 8.1.4 The difference between the book value of assets pertaining to the Demerged Undertaking and the book value of liabilities and balance in Other Comprehensive Income reserves pertaining to the Demerged Undertaking transferred to the Resulting Company shall be adjusted with the Retained Earnings of the Demerged Company; and
- 8.1.5 Till the time demerger is effective and approved by the NCLT, the Resulting Company will be considered as a wholly owned subsidiary of the Demerged Company and thus consolidated financial statement from incorporation till the date the Scheme becomes effective will be prepared by the Demerged Company.

For Saregama India Limited

  
**Vikram Mehra**  
Managing Director  
DIN:03556680  
30<sup>th</sup> March, 2022



SIGNED FOR IDENTIFICATION  
BY   
For B S R & Co. LLP  
CHARTERED ACCOUNTANTS

