

K.N. GUTGUTIA & CO.**CHARTERED ACCOUNTANTS****NEW DELHI : KOLKATA****11-K, GOPALA TOWER, 25, RAJENDRA PLACE,
NEW DELHI-110008****Phones : 25713944, 25788644, 25818644****E-mail : brg1971@cakng.com, kng1971@yahoo.com****Website : www.cakng.com**

To,
The Board of Directors,
Kaushalya Logistics Limited
11, 2nd Floor, Guru Har Rai Complex,
Opp Shiv Mandir,
Near Manju Cinema, Millerganj,
Ludhiana, Punjab - 141003

Independent Auditor's Certificate on non-applicability of Para (A)(10)(a) read with Para (A)(10)(b) of Part I of Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by the Securities and Exchange Board of India ("SEBI") ("Circular") for the Draft Scheme of Arrangement between Kaushalya Logistics Limited and Bhumiika Logistics and Services Limited and their respective shareholders under sections 230 to 232 read with other applicable provisions of the Companies Act, 2013 ("Scheme") and rules framed thereunder

1. We, M/s K.N. Gutgutia & Co., Chartered Accountants, the Statutory Auditors of Kaushalya Logistics Limited ("**Demerged Company**" or "**Company**" or "**KLL**") have been requested by the Company, having its registered office at the above-mentioned address, to provide reasonable assurance on whether the requirements in Para (A)(10)(a) read with Para (A)(10)(b) of Part I of the Circular are applicable to the proposed Scheme.

Management's Responsibility

2. The responsibility for the preparation of the undertaking and its compliance with the requirements of the circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and relevant laws and regulations in connection with the Scheme, is that of the Board of Directors of the Companies involved.

Auditor's Responsibility

3. Pursuant to the Circular, our responsibility is to provide reasonable assurance on whether the requirements in Para (A)(10)(a) read with Para (A)(10)(b) of Part I of the Circular are applicable to the proposed Scheme.
4. A reasonable assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the reporting criteria. Accordingly, we have performed the following procedures in relation to the Certificate:
 - 4.1.1. Read the Scheme and relevant guidelines to determine whether the requirements in Para (A)(10)(a) read with Para (A)(10)(b) of Part I of the Circular are applicable to the Company.
 - 4.1.2. Read the attached Undertaking prepared by the Company

Our examination did not extend to any aspects of a legal or propriety nature covered in the proposed Scheme. 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 as the statutory auditors of any financial statements of the Company.



K.N. GUTGUTIA & CO.

CHARTERED ACCOUNTANTS

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5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised) 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.
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, issued by ICAI.

Opinion

7. Based on our examination and according to the information and explanations given to us, in our opinion, the requirements in Para (A)(10)(a) read with Para (A)(10)(b) of Part I of the Circular are not applicable to the Scheme.

Restriction on Use

8. This report is addressed to and provided to the Board of Directors of the Company solely for the purpose given in paragraph 1 above and should not be used by any other person or 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 report is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

PLACE: NEW DELHI

DATE: 10.04.2025

**FOR K. N. GUTGUTIA & COMPANY
CHARTERED ACCOUNTANTS
FRN 304153E**



**(B. R. GOYAL)
PARTNER
M. NO. 12172**

UDIN: 25012172BMIGND7303

Annexure I – Undertaking from Board of Directors

1. The Board of Directors of the Company at its meeting held on April 11, 2025 has approved the draft scheme of arrangement between Kaushalya Logistics Limited (“KLL” or “**Demerged Company**” or “**the Company**”) and Bhumika Logistics and Services Limited (“BLSL” or “**Resulting Company**”) and their respective shareholders under sections 230 to 232 read with other applicable provisions of the Companies Act, 2013 and rules framed thereunder (herein after referred to as “**Scheme**”).
2. Reasons for No-applicability of Para (A)(10)(b) of Part I of Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by the Securities and Exchange Board of India (“SEBI”) (“Circular”)

The detailed reasons for non-applicability of obtaining approval of the majority of public shareholders to the Scheme, are as follows:

2.1. Paragraph (A)(10)(b)(i) of Part I of the Circular:

“Where additional shares have been allotted to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the listed entity

Reasons for non-applicability: In terms of the Scheme, all the shareholders of the Demerged Company will be allotted equity shares of the Resulting Company, in proportion to their existing shareholding in the Demerged Company. Accordingly, the provisions of Paragraph (A)(10)(b)(i) of the Circular would not be applicable to the Scheme.

2.2. Paragraph (A)(10)(b)(ii) of Part I of Circular:

“Where the Scheme of Arrangement involves the listed entity and any other entity involving Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group”

Reasons for non-applicability: The proposed Scheme is between the Demerged Company and the Resulting Company, which is a wholly-owned subsidiary of the Demerged Company. Hence, the Scheme does not involve any other entity involving Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Demerged Company. Accordingly, the provisions of Paragraph (A)(10)(b)(ii) of the Circular would not be applicable to the Scheme.

2.3. Paragraph (A)(10)(b)(iii) of Part I of Circular:

“Where the parent listed entity has acquired, either directly or indirectly, the equity shares of the subsidiary from any of the shareholders of the subsidiary who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the parent listed entity, and if that subsidiary is being merged with the parent listed entity under the Scheme”

Reasons for non-applicability: This paragraph of the Circular deals with the merger of a subsidiary with the parent listed entity. The present Scheme provides for the demerger of the Demerged Undertaking of the Demerged Company to the Resulting Company and consequent



issue of equity shares by the Resulting Company to the shareholders of the Demerged Company, in proportion to their existing shareholding in the Company. Further, the Resulting Company was incorporated as a wholly-owned subsidiary of the Demerged Company and therefore, the shares of the Resulting Company were not acquired by the Demerged Company from its Promoter/Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter/Promoter Group, Subsidiary/(s) of Promoter/Promoter Group. Accordingly, the provisions of Paragraph (A)(10)(b)(iii) of Part I of the Circular would not be applicable to the Scheme.

2.4. Paragraph (A)(10)(b)(iv) of Part I of Circular:

"Where the scheme involving merger of an unlisted entity results in reduction in the voting share of pre-scheme public shareholders of listed entity in the transferee / resulting company by more than 5% of the total capital of the merged entity"

Reasons for non-applicability: The present Scheme provides for the demerger of the Demerged Undertaking of the Demerged Company to the Resulting Company and consequent issue of shares by the Resulting Company to the shareholders of the Demerged Company, in same proportion to their existing shareholding in the Company. Accordingly, the provisions of Paragraph (A)(10)(b)(iv) of Part I of the Circular would not be applicable to the Scheme.

2.5. Paragraph (A)(10)(b)(v) of Part I of Circular:

"where the scheme involves transfer of whole or substantially the whole of the undertaking of the listed entity and the consideration for such transfer is not in the form of listed equity shares.

For the purpose of this clause, the expression "substantially the whole of the undertaking" in any financial year shall mean twenty per cent or more of value of the company in terms of consolidated net worth or consolidated total income during previous financial year as specified in Section 180(1)(a)(ii) of the Companies Act, 2013. For the purpose of this clause, the term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957."

Reasons for non-applicability: The Scheme envisages demerger of Logistics Business Undertaking of the Demerged Company into its wholly-owned subsidiary, i.e., the Resulting Company and the consideration for such demerger is in the form of equity shares of the Resulting Company, which are proposed to be listed on the stock exchange. Accordingly, the provisions of Paragraph (A)(10)(b)(v) of Part I of the Circular would not be applicable to the Scheme.

3. In view of the above, the requirements stated in Para (A)(10)(b) of Part I of Circular are not applicable with respect to seeking approval of the Scheme by public shareholders of the Company through e-voting and also upon condition that Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders against it.

**For and on behalf of the Board of Directors
Kaushalya Logistics Limited**


Anupam Agr
Authorised Signatory
Designation : Company Secretary



Date: [10.04.2025]
Place: [Delhi]