

**PAVULURI & Co.**  
**CHARTERED ACCOUNTANTS**

Plot No.48, Flat No.301,  
 MICASA, Phase - I, Kavuri Hills,  
 Hyderabad - 500 033.  
 Ph : 040-2970 2638 / 2639  
 Email : mail@pavuluriandco.com

**Auditor's Certificate**

To,  
 The Board of Directors,  
 SoftSol India Limited,  
 Plot No. 4, Infocity, Madhapur,  
 Hyderabad, Telangana – 500032.

We, the statutory auditors of SoftSol India Limited (hereinafter referred to as "the Company"), have examined the proposed accounting treatment specified in Clause 5 of the draft Scheme of Arrangement between SoftSol India Limited and Covance SoftSol Limited and their respective Shareholders & Creditors in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 with reference to its compliance with the applicable Accounting Standards notified under the Companies Act, 2013 and other Generally Accepted Accounting Principles.

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 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. 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 scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as may be amended from time to time and Other Generally Accepted Accounting Principles.

This Certificate is issued at the request of SoftSol India Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to BSE Limited, Securities and Exchange Board of India, National Company Law Tribunal. This Certificate should not be used for any other purpose without our prior written consent.

Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For Pavuluri & Co.  
 Chartered Accountants  
 Firm Reg. No: 012194S

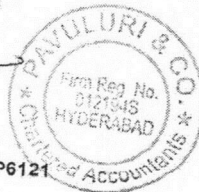
*N. Rajesh*

CA N Rajesh

Partner

M.No: 223169

UDIN: 23223169BGVJTP6121



Place: Hyderabad  
 Date: 14.08.2023

Branches : Flat No : 301, Block C, Green City Towers, Green City Township, Near Export Apparel Park, Visakhapatnam - 530049.  
 D.No.54-20/7-1B, Plot No.10, Road No.2, Kanakadurga GAZZETTED OFFICERS COLONY, GURUNANK NAGAR, VIJAYAWADA-520007. Ph: 0866-2545418





**Extract of Clause 5 from the draft Scheme of Arrangement between SoftSol India Limited (Demerged Company) and Covance SoftSol Limited (Resulting Company) and their respective Shareholders and Creditors**

**5. ACCOUNTING TREATMENT**

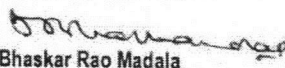
**5.1. Accounting Treatment in the Financial Statements of the Demerged Company**

- (a) The transfer of the Demerged Undertaking shall be accounted for in the books of the Demerged Company in accordance with applicable accounting standards prescribed under Section 133 of the Act and generally accepted accounting principles in India.
- (b) Upon the Scheme becoming effective:
  - (i) The respective carrying values, of the assets, liabilities and identified reserves of the Demerged Undertaking, shall be reduced from the books of account of the Demerged Company.
  - (ii) Pursuant to Part III of the Scheme, the investment of the Demerged Company in the Resulting Company as appearing in its books of accounts shall be written off.
- (c) The difference of the above, shall be reduced from Other Equity in the books of the Demerged Company.

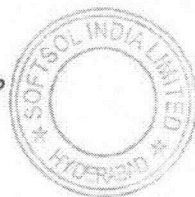
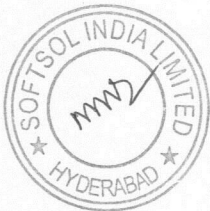
**5.2. Accounting Treatment in the Financial Statements of the Resulting Company**

- (a) The transfer of the Demerged Undertaking shall be accounted for in the books of the Resulting Company using the pooling of interest method in accordance with Appendix C "Business Combinations of entities under common control" of the Indian Accounting Standard (Ind AS) 103 - Business Combinations.
- (b) Upon the Scheme becoming effective:
  - (i) The transferred assets, liabilities and identified reserves relating to the Demerged Undertaking would be recorded at their respective carrying amounts as appearing in Financial Statements of the Demerged Company.
  - (ii) The Resulting Company shall credit its share capital account with the aggregate face value of the equity shares issued to the shareholders of the Demerged Company.
  - (iii) The difference, if any, between the carrying amount of the net assets of the Demerged Undertaking acquired and the consideration issued to the shareholders of the Demerged Company shall be adjusted to Other Equity.
  - (iv) The financial statements of the Resulting Company shall be restated as per the requirements of Appendix C of Ind AS 103.
  - (v) The Resulting Company's capital reduction pursuant to Clause 7 of this Scheme will be transferred to the capital reserve.
- (c) The reserves so recorded under Other Equity shall be available for distribution of dividend to the shareholders and shall be considered as free reserves from the Act perspective.

For SoftSol India Limited

  
Bhaskar Rao Madala  
Whole-time Director  
DIN: 00474589

Date: August 14, 2023

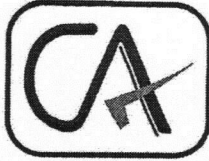


CIN: L72200TG1990PLC011771

**SoftSol India Limited**

Registered Office : Plot No. 4, Software Units Layout, Madhapur,  
Hyderabad - 500 081, Telangana, India. Tel : +91-40-42568500, Fax : +91-40-42568600,  
Email:salesinfo@softsol.com, Website: www.softsol.com





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**Auditor's Certificate**

To,  
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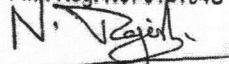
The responsibility for the preparation of the draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the companies involved. Our responsibility is to examine and report whether the draft Scheme complies with the applicable Accounting Standards and other Generally Accepted Accounting 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. 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 scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as may be amended from time to time and other Generally Accepted Accounting Principles.

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Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For Pavuluri & Co.  
Chartered Accountants  
Firm Reg. No: 012194S



CA N Rajesh  
Partner

M.No: 223169

UDIN: 23223169B6VJTO5982



Place: Hyderabad

Date: 14.08.2023

Branches :

Flat No : 301, Block C, Green City Towers, Green City Township, Near Export Apparel Park, Visakhapatnam - 530049.  
D.No.54-20/7-1B, Plot No.10, Road No.2, Kanakadurga Gazetted Officers colony, Gurunank Nagar, Vijayawada-520007. Ph: 0866-2545418



# COVANCE SOFTSOL LIMITED

CIN: U62011TS2023PLC175979

Registered Office: Plot No.4, Infocity, Madhapur, Jubilee Hills,  
Shaikpet, Hyderabad-500033, Telangana, India  
E-mail: bhaskara.madala@softsol.com

Extract of Clause 5 from the draft Scheme of Arrangement between SoftSol India Limited (Demerged Company) and Covance SoftSol Limited (Resulting Company) and their respective Shareholders and Creditors

## 5. ACCOUNTING TREATMENT

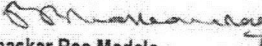
### 5.1. Accounting Treatment in the Financial Statements of the Demerged Company

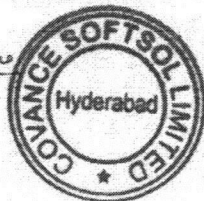
- (a) The transfer of the Demerged Undertaking shall be accounted for in the books of the Demerged Company in accordance with applicable accounting standards prescribed under Section 133 of the Act and generally accepted accounting principles in India.
- (b) Upon the Scheme becoming effective:
- The respective carrying values, of the assets, liabilities and identified reserves of the Demerged Undertaking, shall be reduced from the books of account of the Demerged Company.
  - Pursuant to Part III of the Scheme, the investment of the Demerged Company in the Resulting Company as appearing in its books of accounts shall be written off.
- (c) The difference of the above, shall be reduced from Other Equity in the books of the Demerged Company.

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  - The difference, if any, between the carrying amount of the net assets of the Demerged Undertaking acquired and the consideration issued to the shareholders of the Demerged Company shall be adjusted to capital reserve.
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  - The Resulting Company's capital reduction pursuant to Clause 7 of this Scheme will be transferred to the capital reserve.
- (c) The reserves so recorded under Other Equity shall be available for distribution of dividend to the shareholders and shall be considered as free reserves from the Act perspective.

For Covance SoftSol Limited

  
Bhaskar Rao Madala  
Director  
DIN: 00474589



Date: August 14, 2023

