
Walker Chandiook & Co LLP

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Independent Practitioner's report on the compilation of Pro Forma Consolidated Financial Information to be included in the Draft Red Herring Prospectus ('DRHP') in connection with proposed Initial Public Offer of equity shares ('Proposed IPO') by Aditya Infotech Limited

To
The Board of Directors
Aditya Infotech Limited
A-12, Khemka Square,
Sector 4, Noida-201301

Dear Sirs,

1. We, Walker Chandiook & Co LLP, Chartered Accountants, have completed our assurance engagement to report on the Compilation of Pro Forma Consolidated Financial Information of **Aditya Infotech Limited** ('the Holding Company') and its subsidiaries (together referred to as 'the Group') (Refer Annexure 1 for the list of subsidiaries included in the Group for the year ended 31 March 2024) included in the Pro forma Consolidated Financial Information. The Pro Forma Consolidated Financial Information consists of the Pro Forma Consolidated Balance Sheet as at 31 March 2024, the Pro Forma Consolidated Statement of Profit and Loss for the year ended 31 March 2024 including the related notes thereon (hereinafter referred as 'Pro Forma Consolidated Financial Information'). The applicable criteria on the basis of which the management has compiled the Pro Forma Consolidated Financial Information are specified in the "Basis of preparation paragraph" as described in note 2 to the Pro Forma Consolidated Financial Information.
2. The Pro Forma Consolidated Financial Information has been compiled by the Management to illustrate the impact of a significant business acquisition of a material subsidiary company, AIL Dixon Technologies Private Limited, ('AIL Dixon') made by the Group on 18 September 2024 as set out in note 1, on the Group's financial position as at 31 March 2024 as if the acquisition had taken place as at 31 March 2024 and Group's financial performance for the year ended 31 March 2024, as if the acquisition has taken place at the beginning of the said financial year being 01 April 2023.
3. As a part of this process, information about the Group's financial position and financial performance has been extracted by Management from the following financial statements / financial information:
 - a) Restated Consolidated Financial Information of the Group as of and for the year ended 31 March 2024, on which we have issued the examination report dated 23 September 2024; and
 - b) Audited financial statements of AIL Dixon for the year ended 31 March 2024 on which other auditors have issued unmodified audit opinion vide their audit report dated 14 May 2024.

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Dehradun, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune



Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

Management's Responsibility for the Pro Forma Consolidated Financial Information

4. The management is responsible for compiling the Pro Forma Consolidated Financial Information on the basis stated in note 2 to the Pro Forma Consolidated Financial Information which has been approved by the Board of Directors of the Holding Company. The management's responsibility includes the responsibility for designing, implementing and maintaining internal control relevant for compiling the Pro Forma Consolidated Financial Information on the basis stated in note 2 to the Pro Forma Consolidated Financial Information that is free from material misstatement, whether due to fraud or error. The management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations for the compilation of Pro Forma Consolidated Financial Information.

Practitioner's Responsibilities

5. Our responsibility is to express an opinion on whether the Pro Forma Consolidated Financial Information of the Group has been compiled, in all material respects, by the Management on the basis stated in note 2 to the Pro Forma Consolidated Financial Information.
6. We conducted our engagement in accordance with Standard on Assurance Engagements (SAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the Institute of Chartered Accountants of India. This Standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Management has compiled, in all material respects, the Pro Forma Consolidated Financial Information on the basis stated in note 2 to the Pro Forma Consolidated Financial Information.
7. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Consolidated Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Financial Information.
8. The purpose of Pro Forma Consolidated Financial Information included in the DRHP is solely to illustrate the impact of material acquisition as stated in note 2 on unadjusted financial information of the Group as if the acquisition had been made at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the material acquisition as at 1 April 2023 would have been as presented.
9. A reasonable assurance engagement to report on whether the Pro Forma Consolidated Financial Information has been compiled, in all material respects, on the basis stated in note 2 to the Pro Forma Consolidated Financial Information, involves performing procedures to assess whether the applicable criteria used by the Management in the compilation of the Pro Forma Consolidated Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:
 - The related pro forma adjustments give appropriate effect to those criteria; and
 - The Pro Forma Consolidated Financial Information reflects the proper application of those adjustments to the unadjusted financial information.
10. The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the Pro Forma Consolidated Financial Information has been compiled, and other relevant engagement circumstances. The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Financial Information. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
11. Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.



Walker Chandiok & Co LLP

Opinion

12. In our opinion, the Pro Forma Consolidated Financial Information has been compiled, in all material respects, on the basis stated in note 2 to the Pro Forma Consolidated Financial Information.

Restrictions on Use

13. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit report issued by us. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

14. The Pro Forma Consolidated Financial Information has been prepared by the management for inclusion in the DRHP to be filed with the Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited as per the requirements of Section 26 of Part I of Chapter III of the Act, read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended from time to time, in connection with the proposed Initial Public Offering of the equity shares of the Holding Company and therefore, this Pro-forma Consolidated Financial Information may not be suitable for any other purpose. Our report is solely issued for aforementioned purpose and should not be used or referred to for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Deepak Mittal

Deepak Mittal

Partner

Membership No.: 503843



UDIN: 24503843BKFASH3030

Place: Gurugram

Date: 23 September 2024

Walker Chandiok & Co LLP

ANNEXURE 1 TO THE INDEPENDENT PRACTITIONER'S REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

List of entities (with relation to Holding Company) included in Pro Forma Consolidated Financial Information

Sl. No.	Name of Entity	Relation
1	Aditya Infotech Limited	Holding Company
2	Shenzhen CP Plus International Limited	Subsidiary
3	AIL Dixon Technologies Private Limited	Subsidiary*

**As stated in note 1 to the Pro Forma Consolidated Financial Information, due to acquisition of controlling stake in joint venture- AIL Dixon Technologies Private Limited on 18 September 2024, the same has been considered as subsidiary for the purpose of Pro Forma Consolidated Financial Information*



(All amounts in INR Millions, unless otherwise stated)

Particulars	Restated Consolidated Financial Information of the Group as at 31 March 2024	Financial information of AIL Dixon Technologies Private Limited as at 31 March 2024	Intergroup elimination (refer note 3(k))	Acquisition adjustments	Notes reference for acquisition adjustments	Total Adjustments	Proforma Consolidated balance Sheet as at 31 March 2024
	(A)	(B)	(C)	(D)	(E)	(F)=(C+D)	(G)=(A+B+F)
ASSETS							
Non-current assets							
Property, plant and equipment	214.82	952.59	-	46.10	3(a)	46.10	1,213.51
Right of use assets	476.69	105.91	-	-	-	-	582.60
Capital work in progress	2.36	10.97	-	-	-	-	13.33
Investment property	3.79	-	-	-	-	-	3.79
Goodwill	-	-	-	5,427.40	3(b)	5,427.40	5,427.40
Other intangible assets	7.75	-	-	54.40	3(a)	54.40	62.15
Intangible assets under development	152.64	-	-	-	-	-	152.64
Investment accounted for using the equity method	-	-	-	-	3(j)	-	-
Financial assets							
Investments	6.08	-	-	-	-	-	6.08
Others financial assets	46.59	15.93	-	-	-	-	62.52
Deferred tax assets (net)	79.58	-	-	431.67	3(e), 3(f) & 3(h)	431.67	511.25
Income tax assets (net)	8.03	-	-	-	-	-	8.03
Other non current assets	111.25	4.64	-	-	-	-	115.89
	1,109.58	1,090.04	-	5,959.57		5,959.57	8,159.19
Current assets							
Inventories	5,092.05	1,884.02	17.53	(35.90)	3(e)	(18.37)	6,957.70
Financial assets							
Investments	-	-	-	-	-	-	-
Trade receivables	7,342.70	602.14	(416.24)	-	-	(416.24)	7,528.60
Cash and cash equivalents	394.67	836.20	1.18	-	-	1.18	1,232.05
Other bank balances	311.69	-	-	-	-	-	311.69
Loans	82.52	-	(82.52)	-	-	(82.52)	-
Other financial assets	1,814.48	1,778.00	-	(1,769.94)	3(a)	(1,769.94)	1,822.54
Current tax assets (net)	-	13.28	-	-	-	-	13.28
Other current assets	294.07	228.21	-	-	-	-	522.28
Total current assets	15,332.18	5,341.85	(480.05)	(1,805.84)		(2,285.89)	18,388.14
Total assets	16,441.76	6,431.89	(480.05)	4,153.73		3,673.68	26,547.33
EQUITY AND LIABILITIES							
Equity							
Equity share capital	20.50	190.00	-	(182.69)	3(g)	(182.69)	27.81
Other equity	4,221.59	551.48	(0.72)	4,326.57	3(i)	4,325.85	9,098.92
Equity attributable to owners of Holding Company	4,242.09	741.48	(0.72)	4,143.88		4,143.16	9,126.73
Non-controlling interests	-	-	-	-	-	-	-
Total equity	4,242.09	741.48	(0.72)	4,143.88		4,143.16	9,126.73
Non current liabilities							
Financial liabilities							
Borrowings	280.16	33.48	-	-	-	-	313.64
Lease Liabilities	179.13	129.04	-	-	-	-	308.17
Provisions	89.44	3.56	-	-	-	-	93.00
Deferred tax liabilities (Net)	-	38.35	-	-	-	-	38.35
Total current liabilities	548.73	204.43	-	-		-	753.16
Current liabilities							
Financial liabilities							
Borrowings	3,774.36	186.95	(80.00)	-	-	(80.00)	3,881.31
Lease liabilities	129.11	0.48	-	-	-	-	129.59
Trade payables	-	-	-	-	-	-	-
Total outstanding dues of micro enterprises and small enterprises	79.99	25.05	-	-	-	-	105.04
Total outstanding dues of creditors other than micro and small enterprises	5,922.31	5,178.39	(399.33)	9.85	-	(389.48)	10,711.22
Other financial liabilities	1,359.96	89.62	-	-	-	-	1,449.58
Provisions	84.73	0.16	-	-	-	-	84.89
Current tax liabilities (net)	26.07	-	-	-	-	-	26.07
Other current liabilities	274.41	5.33	-	-	-	-	279.74
Total current liabilities	11,650.94	5,485.98	(479.33)	9.85		(469.48)	16,667.44
Total equity and liabilities	16,441.76	6,431.89	(480.05)	4,153.73		3,673.68	26,547.33

The above statement should be read with notes to proforma consolidated financial information

As per our report on even date attached
For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/NS00013

Deepak Mittal
Deepak Mittal
Partner
Membership No.: 503843

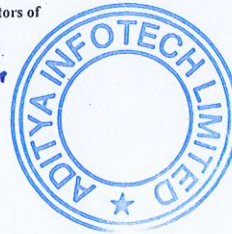


For and on behalf of Board of Directors of
ADITYA INFOTECH LIMITED

Hari Shanker Khemka
Hari Shanker Khemka
Chairman
DIN:00514501

U. S. S. S.
Yogesh Sharma
Chief Financial Officer

Place: Gurugram
Date: 23 September 2024



Aditya Khemka
Aditya Khemka
Managing Director
DIN:00514552

Roshni Tandon
Roshni Tandon
Company Secretary

Place: Gurugram
Date: 23 September 2024

Particulars	Restated Consolidated Summary Statement of Profit and Loss of the Group for the year ended 31 March 2024	Summary Statement of Profit and Loss of AIL Dixon Technologies Private Limited for the year ended 31 March 2024	Intergroup elimination (refer note 3(k))	Acquisition adjustments	Notes reference for acquisition adjustments	Total Adjustments	Proforma Consolidated Statement of Profit and Loss for the year ended 31 March 2024
	(A)	(B)	(C)	(D)	(E)	(F)=(C+D)	(G)=(A+B+F)
I Income:							
Revenue from operations	27,824.26	12,652.52	(11,217.10)	-		(11,217.10)	29,259.68
Other income	135.34	1.68	(2.91)	-		(2.91)	134.11
Total income (I)	27,959.60	12,654.20	(11,220.01)	-		(11,220.01)	29,393.79
II Expenses:							
Cost of materials consumed	-	11,796.12	(0.62)	-		(0.62)	11,795.50
Purchases of stock-in-trade	22,698.63	-	(11,192.23)	35.90	3(e)	(11,156.33)	11,542.30
Changes in inventories of work-in-progress, finished goods and stock-in-trade	20.77	(34.58)	(17.53)	-		(17.53)	(31.33)
Labour charges	-	289.03	-	-		-	289.03
Employee benefits expense	1,338.57	170.94	-	-		-	1,509.51
Finance costs	309.09	35.05	(2.91)	-		(2.91)	341.22
Depreciation and amortization expenses	157.13	70.61	-	-		-	227.74
Other expenses	1,536.86	185.32	(6.00)	9.85	3(h)	3.85	1,726.23
Total expenses (II)	26,061.05	12,512.69	(11,219.29)	45.75		(11,173.54)	27,400.20
Profit before exceptional items and tax	1,898.55	141.51	(0.72)	(45.75)		(46.47)	1,993.59
Exceptional items	252.36	-	-	(2,433.29)	3(c) & 3(d)	(2,433.29)	(2,180.93)
III Profit before tax (I-II)	1,646.19	141.51	(0.72)	2,387.54		2,386.82	4,174.52
IV Tax expense:							
Current tax expense	506.93	27.08	-	-		-	534.01
Deferred tax expense/(credit)	(8.00)	8.80	-	(11.51)	3(c) & 3(h)	(11.51)	(10.72)
Earlier years tax adjustments (net)	(4.46)	19.75	-	-		-	15.29
Total tax expense (IV)	494.47	55.63	-	(11.51)		(11.51)	538.58
V Profit for the year (III-IV)	1,151.72	85.88	(0.72)	2,399.05		2,398.33	3,635.94
VI Other comprehensive income:							
Items that will not be reclassified to profit or loss							
Remeasurement of defined employee benefit plans	(19.97)	(0.56)	-	-		-	(20.53)
Income tax effect of above	5.03	0.14	-	-		-	5.17
Items that will be reclassified to profit or loss							
Exchange differences on translation of financial statements of foreign operations	(0.63)	-	-	-		-	(0.63)
Other comprehensive income/(loss) for the year, net of tax (VI)	(15.57)	(0.42)	-	-		-	(15.99)
VII Total comprehensive income/(loss) for the year, net of tax (V-VI)	1,136.15	85.46	(0.72)	2,399.05		2,398.33	3,619.95
Profit after tax attributable to:							
Owners of the Holding Company	1,151.72	-	-	-		-	3,635.94
Non-controlling interests	-	-	-	-		-	-
Other comprehensive income attributable to:							
Owners of the Holding Company	(15.57)	-	-	-		-	(15.99)
Non-controlling interests	-	-	-	-		-	-
Total comprehensive income attributable to:							
Owners of the Holding Company	1,136.15	-	-	-		-	3,619.95
Non-controlling interests	-	-	-	-		-	-
Earnings per equity share							
Basic and diluted	11.24	-	-	-	3(i)	-	33.11

The above statement should be read with notes to proforma consolidated financial information

As per our report on even date attached
For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Deepak Mittal
Deepak Mittal
Partner
Membership No.: 503843



Place: Gurugram
Date: 23 September 2024

For and on behalf of Board of Directors of
ADITYA INFOTECH LIMITED

Harinder Khemka
Harinder Khemka
Chairman
DIN:00514501

U. Sharma
Yogesh Sharma
Chief Financial Officer

Place: Noida
Date: 23 September 2024



Aditya Khemka
Aditya Khemka
Managing Director
DIN:00114352

Rishni Tandon
Rishni Tandon
Company Secretary

1) Background

The proforma consolidated financial information comprise proforma consolidated balance sheet, proforma consolidated statement of profit and loss and notes to proforma consolidated financial information of Aditya Infotech Limited and its subsidiary companies (collectively referred as "Group") for the year ended 31 March 2024. Aditya Infotech Limited (the "Company") is a public limited company, having CIN no. U74899DL1995PLC066784 and was incorporated on 27 March 1995 with Registrar of Companies, New Delhi. The Company's registered office is situated at F-28, Okhla Industrial Area, Phase-1, New Delhi - 110020 and corporate office is situated at A- 12, Sector-4, Noida - 201301. The Group is engaged in trading of security and surveillance equipment and components under 'CP Plus' brand. Further, the Group is also engaged in trading of security and surveillance equipment and components manufactured by Dahua Technologies Group.

Subsequent to the year ended 31 March 2024, the Company has undertaken the following acquisition in respect of which these proforma consolidated financial information is being prepared.

On 18 September 2024 the Company acquired the remaining 50% share in the existing joint venture AIL Dixon Technologies Private Limited (AIL Dixon) which with effect from that date has become a subsidiary of the Company. The purchase consideration for the aforesaid transaction is Rs 2,486.31 million which has been discharged by way of issue of 7,305,805 equity shares of the Company having a face value of Re. 1 at security premium of Rs. 339.32 per share.

The Principal activity of AIL Dixon is manufacturing and sales of all kind of security systems and related peripherals including spare parts and accessories.

2) Basis of preparation

The Proforma Consolidated Financial Information of the Group has been prepared by the management of the Group in accordance with the Clause (11)(I)(B)(iii) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date (the "SEBI Regulations") issued by Securities and Exchange Board of India ("the SEBI"), to reflect the acquisition of AIL Dixon, made after the date of the latest audited annual financial statements of the Group as at and for the year ended 31 March 2024, considering that the acquisition is material for the purpose of the business of the Group.

The proforma consolidated financial information have been prepared specifically for inclusion in the Offer Document to be filed by the Company with Securities and Exchange Board of India (SEBI) in connection with proposed Initial Public Offering ("IPO").

The proforma consolidated financial information includes the following:

- Proforma Consolidated Balance Sheet as at 31 March 2024, assuming as if the acquisition has taken place as on that date
- Proforma Consolidated Statement of Profit and Loss account for the year ended 31 March 2024, assuming as if the acquisition has taken place at the beginning of the said financial year being 1 April 2023, and
- Related notes to Proforma Consolidated Financial Information

The proforma consolidated financial information has been prepared by combining following financial information, proforma adjustments and inter-company eliminations:

- The Restated Consolidated Financial Information of the Group as at 31 March 2024 on which the auditors have issued an examination report dated 23 September 2024, prepared in connection with its proposed Initial Public Offer of equity shares ("IPO") in terms of the requirements of section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations") and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note");
- The audited financial statement of AIL Dixon Technologies Private Limited as at and for the year ended 31 March 2024 on which the auditors of such entity have issued unmodified audit opinion vide their report dated 14 May 2024.
- Intergroup elimination between the Company and AIL Dixon Technologies Private Limited as at and for the year ended 31 March 2024.
- Adjustments to the proforma consolidated financial information arising from transactions between the Group and the acquired entity during the year ended 31 March 2024 for the purpose of consolidated proforma statement of profit and loss.
- Adjustments to recognise the impact of allocation of purchase consideration paid/payable by the Company.

The description of adjustments made to the proforma consolidated financial information are included in the note 3 below.

The Pro Forma Consolidated Financial Information has been prepared using the acquisition method of accounting under the provisions of Ind AS 103 Business Combinations. Ind AS 103 requires, among other things, that the assets acquired, and liabilities assumed in a business combination be recognized at their fair values based upon management's provisional estimate of their fair values as of 31 March 2024. Accordingly, the Group has allocated the purchase consideration to the estimated fair value of assets acquired and liabilities assumed and recognised the difference between purchase consideration and net assets as goodwill in the proforma consolidated balance sheet as at 31 March 2024. Refer Note 3(b) below for computation of goodwill.

A final determination of the fair value of acquirees' assets and liabilities, including intangible assets, will be based on their actual assets and liabilities as of the acquisition date. Accordingly, the purchase price allocation and related adjustments reflected in these Pro Forma Consolidated Financial Information are provisional and subject to revision based on a final determination of fair value within the measurement period allowed under Ind AS 103.

Because of their nature, the Pro Forma Consolidated Financial Information addresses a hypothetical situation and therefore, does not represent Group's factual financial position or results. Accordingly, the proforma consolidated financial information does not necessarily reflect what the Group's financial condition or results of operations would have been had the acquisition occurred on the date indicated and is also not intended to be indicative of expected financial position or results of operations in future periods. The actual balance sheet and statement of profit and loss may differ significantly from the proforma amounts reflected herein due to variety of factors.

The proforma adjustments are based upon available information and assumptions that the management of the Company believes to be reasonable. Further, such proforma consolidated financial information has not been prepared in accordance with standards and practices acceptable in any other jurisdiction and accordingly, should not be relied upon as if it had been carried out in accordance with standards and practices in any other jurisdiction. Accordingly, the degree of reliance placed by anyone on such proforma consolidated financial information should be limited. In addition, the rules and regulations related to the preparation of proforma consolidated financial information in other jurisdictions may also vary significantly from the basis of preparation as set out in paragraphs above to prepare these proforma consolidated financial information.

The restated consolidated financial information has been adjusted in the proforma consolidated financial information to give effect to the proforma event that are (1) directly attributable to such acquisition and (2) factually supportable.

The proforma consolidated financial information were approved by the Board of Directors of the Company on 23 September 2024.

3) Pro forma adjustments

The Financial Statements of AIL Dixon Technologies Private Limited have been prepared in accordance with the recognition and measurement principles of Ind AS and the management of the Group has adjusted to comply with the Group's accounting policies in all material aspects (collectively referred to as "Group accounting policies" as appearing in Restated Consolidated Financial Information). Such financial information has been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis.

The following adjustments have been made to present the proforma consolidated financial information:



a) Net assets acquired

Following table provides the details of net assets acquired determined on the basis of carrying values of the net assets at the year-end date after taking into account fair value adjustments in property, plant and equipment and other financial assets as determined by an external expert, in the purchase price allocation (PPA) valuation as on acquisition date:

Particulars	Amount as at 31 March 2024
Non-current assets	1,090.04
Fair value adjustment of Property, plant & equipment	46.10
Fair value adjustment of Customer relationships (Other intangible assets)	54.40
Current assets	5,341.85
Impairment adjustment of insurance and other claim recoverable under 'other financial assets'	(1,769.94)
Deferred tax assets (net) (Refer note 3(f))	420.16
Total assets [A]	5,182.61
Non-current liabilities	204.43
Current liabilities	5,485.98
Total liabilities [B]	5,690.41
Net assets acquired / (Net liabilities assumed) [C] = [A-B]	(507.80)

b) Purchase consideration and goodwill arising on acquisition

The total purchase consideration of Rs 2,486.31 million has been discharged by way of issue of 7,305,805 equity shares of the Company having face value of Re. 1, at security premium of Rs. 339.32 per share.

The goodwill has been calculated based on the audited financial statements of AIL Dixon as at 31 March 2024. As of 31 March 2024, the fair value of net liabilities assumed of AIL Dixon is Rs. 507.80 million. Accordingly, an amount of INR 5,427.40 million being the excess of aggregate of the purchase consideration for the acquisition and fair value of previously held equity interest (refer note c) over the net liabilities assumed, has been recognized as goodwill on consolidation.

Particulars	As at 31 March 2024
Purchase consideration	2,486.31
Add: Fair value of previously held equity interest (refer note c)	2,433.29
Add: Net liability assumed	507.80
Goodwill	5,427.40

c) Prior to the acquisition as mentioned in note 1 and 3(a) above, the Group held 50% equity interest in AIL Dixon. The Group acquired the remaining equity interest resulting in total ownership interest of 100%. Accordingly, as per the provision of Ind AS 103 - *Business Combinations*, the group has re-measured its previously held equity interest in AIL Dixon at fair value of Rs 2,433.29 million and recognised the corresponding gain of Rs.2,138.79 million as 'exceptional item' in Pro Forma Consolidated Statement of Profit and Loss. This gain represents the difference between the fair value of the previously held equity interest amounting Rs. 2,433.29 million and its carrying amount Rs. 294.50 million immediately before giving effect to the business combination accounting.

d) For the purpose of proforma consolidated financial information, the impairment of previously held 50% equity interest in AIL Dixon recognized during the year amounting to Rs. 294.50 million has been reversed.

e) Inventory of the Group as at 31 March 2024 consists of inventory purchased from AIL Dixon, hence, the unrealised profit on such inventory amounting Rs. 35.90 million has been eliminated from inventory and further, the deferred tax asset amounting to Rs. 9.03 million has been recognised for the tax effects of unrealised profits eliminated from inventory.

f) The Group has recognized the net deferred tax assets amounting Rs. 420.16 million on the following fair value adjustments as determined by an external expert in the purchase price allocation (PPA) valuation as on acquisition date :-

i) Insurance and other claim recoverable of AIL Dixon Technologies Private Limited has been impaired by Rs. 1,769.94 million (refer point 3(a) above) and consequently, the deferred tax assets of Rs. 445.46 million for the tax effects of the impaired amount has been recognized.

ii) Property, plant and equipment of AIL Dixon Technologies Private Limited has been fair valued and increased by Rs. 46.10 million (refer point 3(a) above) and consequently, the deferred tax liability of Rs. 11.60 million for the tax effect of fair value has been recognized.

iii) Other Intangible assets has been fair valued and increased by Rs. 54.40 million (refer point 3(a) above) and consequently, the deferred tax liability of Rs. 13.70 million for the tax effect of fair value has been recognized.

g) The Group has issued 7,305,805 equity shares having face value of Re. 1 per share on account of the acquisition of remaining 50% equity interest in AIL Dixon. Further, the share capital of AIL Dixon amounting to Rs 190 million has been eliminated on account of its consolidation as mentioned in note 3(b) above.

h) Transaction costs amounting to Rs. 9.85 million incurred by the Company in connection with acquisition of remaining 50% equity interest in AIL Dixon has been recorded under 'other expenses' for the year ended 31 March 2024. Correspondingly, transaction costs and the other equity as at 31 March 2024 has been reduced by Rs. 9.85 million and the deferred tax assets amounting to Rs. 2.48 million has been recognised for the tax effects of the transaction cost.

i) The following adjustments have been made in 'other equity' for the purpose of consolidation as mentioned in note 3(b) above.

Particulars	Amount in Rs. Million
i) Gain on account of fair valuation of previously held equity interest in AIL Dixon (refer note 3(c))	2,138.79
ii) Reversal of impairment loss of previously held 50% equity interest in AIL Dixon (refer note 3(d))	294.50
iii) Elimination of unrealised profit on inventory purchased from AIL Dixon (refer note 3(e))	(35.90)
iv) Transaction costs incurred by Company in connection with AIL Dixon acquisition (refer note 3(h))	(9.85)
v) Deferred tax asset recognized on unrealised profit on inventory purchased from AIL Dixon (refer note 3(e))	9.03
vi) Deferred tax asset recognized on transaction cost incurred by Company in connection with AIL Dixon acquisition (refer note 3(h))	2.48
vii) Security premium on account of 7,305,805 equity shares, having face value of Rs 1 per share, issued at premium of Rs 339.32 per share pursuant to acquisition of remaining 50% equity interest in AIL Dixon	2,479.00
viii) The other equity of AIL Dixon amounting Rs 551.48 million has been eliminated on account of its consolidation	(551.48)
Total	4,326.57



j) The following adjustments have been made in the investment held by the Company for the previously held 50% equity interest in AIL Dixon.

Particulars	For the year ended 31 March 2024
Reversal of impairment loss of previously held 50% equity interest in the AIL Dixon (refer note 3(d))	294.50
Gain on account of fair valuation of previously held 50 % equity interest in AIL Dixon (refer note 3(c))	2,138.79
Fair value of previously held 50% equity interest	2,433.29
Purchase consideration for the acquisition of remaining 50% equity stake in AIL Dixon (refer note 3(b))	2,486.31
The fair value of the total investment of the Company in AIL Dixon	4,919.60
Elimination of above investment in AIL Dixon on account of consolidation	(4,919.60)

k) Inter-group elimination adjustments:

Adjustment on account of elimination of Inter-group transactions and balances between the Group and AIL Dixon are as follows:

Particulars	For the year ended 31 March 2024
Proforma Consolidated statement of Profit and Loss	
Decrease in Revenue from operations	(11,217.10)
Decrease in Other Income	(2.91)
Decrease in Cost of materials consumed	0.62
Decrease in Purchases of stock-in-trade	11,192.23
Decrease in Changes in inventories of work-in-progress, finished goods and stock-in-trade	17.53
Decrease in Finance costs	2.91
Decrease in Other expenses	6.00

Particulars	As at 31 March 2024
Proforma Consolidated Balance Sheet	
Decrease in trade receivables	(416.24)
Decrease in trade payable	399.33
Decrease in loans given to AIL Dixon	(82.52)
Decrease in borrowing taken from the Company	80.00
Increase in inventory	17.53
Decrease in borrowing taken from the Company	1.18
Decrease in other equity	0.72

l) Earnings per share (EPS): Proforma EPS calculation for the year ended 31 March 2024 is based on Proforma Consolidated Statement of profit and loss for the year ended 31 March 2024 and the assumption that the equity shares issued as part of the transaction were issued at the beginning of the year for which proforma consolidated financial information have been presented. Further, weighted average number of equity shares have been considered for calculation of earnings per share, after considering share split and bonus issue, subsequent to year- end.

m) Other than as mentioned above, no additional adjustments have been made to the proforma consolidated balance sheet or the proforma consolidated statement of profit and loss to reflect any other transactions of the Group entered into subsequent to 31 March 2024.

As per our report on even date attached

For Walker Chandio & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/NS00013

Deepak Mittal

Deepak Mittal

Partner

Membership No.: 503843



Place: Gurugram

Date: 23 September 2024

For and on behalf of Board of Directors of
ADITYA INFOTECH LIMITED

Hari Shanker Khemka
Hari Shanker Khemka
Chairman
DIN:00514501

U. Sharma
Yogesh Sharma
Chief Financial Officer

Place: Noida

Date: 23 September 2024

Aditya Khemka
Aditya Khemka
Managing Director
DIN:00514552

Roshni Tandon
Roshni Tandon
Company Secretary