B S R & Associates LLP
Chartered Accountants

903 Commerce House V,
Near Vodafone House
Prahaladnagar, Corporate Road,
Ahmedabad 380 051
India

Telephone +91 (79) 4014 4800
Fax +91 (79) 4014 4850

Private and confidential

The Board of Directors,
Nila Infrastructures Limited
1st Floor, Sambhaav House,
Opp. Chief Justice's Bungalow,
Bodakdev, Ahmedabad,
Gujarat 380015

17 October 2017

Certificate for Non-applicability of requirements prescribed in Paragraph I (A) 9 (a) of Annexure-I of Securities Exchange Board of India ("SEBI") circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular") of Draft Scheme of Arrangement

1 This certificate is issued in accordance with the terms of our engagement letters dated 17 October 2017.

2 In connection with the Draft Scheme of Arrangement ("the Draft Scheme") amongst Nila Infra Structures Limited ("the Company") , Parmananday Superstructure Limited and their respective shareholders and creditors for Demerger of Real Estate Undertaking of the Company into Parmananday Superstructure Limited in terms of the provisions of Section 230 to 232 of the Companies Act, 2013 ("the Act"), other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder, the Company is required to submit an undertaking which is prepared by Board of Directors of the Company as per the SEBI Circular ('the Undertaking'), duly certified by statutory auditors, with Bombay Stock Exchange and National Stock Exchange of India (together referred to as "stock exchanges") towards non-applicability of conditions mentioned in para I (A) 9 (a) of Annexure I of the SEBI Circular stating reasons thereof.

3 In connection with the requirements as stated in Paragraph 2 above, we have been provided by the Company a certified copy of the Scheme and certified copy of the Undertaking as per the SEBI Circular (as attached herewith). We have relied on the Undertaking and have performed no further procedures in this regard.

Management Responsibility for the Undertaking

4 The Management of the Company is responsible for the preparation of the undertaking including creation and maintenance of all the accounting and such other relevant recordssupporting the contents of the Draft Scheme. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Undertaking.

5 Management is also responsible for ensuring that the Company complies with the requirements of the aforesaid SEBI Circular and the Companies Act, 2013, in relation to the Draft Scheme and for providing all the information to SEBI and the Stock Exchanges.

Auditor's Responsibility

6 Pursuant to the requirements of the SEBI Circular, our responsibility is to provide reasonable assurance as to whether the requirements set out in paragraph 1 (A) (9) (a) of Annexure 1 of SEBI Circular, as stated in the Undertaking, are applicable to the Draft Scheme or not, based on our enquiries of the management and examination of the enclosed Undertaking.

7 We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

8 We have complied with the relevant applicable requirement 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.

9 A reasonable assurance engagement includes performing procedures to obtain sufficient appropriate audit evidence on the reporting criteria. Accordingly, we have performed the following procedures in relation to the Certificate:

i. Obtained a certified copy of the Draft Scheme
ii. Obtained a certified copy of the Undertaking from the management, as per the SEBI Circular.
iii. Relied on the copy of the Draft Scheme and the Undertaking so obtained.

10 Our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be to express opinion on the specified elements, accounts or items thereof, for the purpose of the certificate. Accordingly, we do not express such opinion. Further, our examination did not extend to any aspects of a legal or propriety nature in the Draft Scheme other than matters referred to in this certificate.

Conclusion

11 Based on the procedures performed as above and on the basis of verification of the Undertaking given by the Company and according to the information and explanations given to us and specific representations received by us from the Management, we are of the opinion that the conditions prescribed in Paragraph I (A) (9) (b) of heading / paragraph 1 A of Annexure I of the relevant SEBI Circular (in relation to the voting by public shareholders) are not applicable to the Draft Scheme based on the following grounds:

a) The Draft Scheme does not envisage allotment of any additional shares to the Promoter/ Promoter Group, Related parties of Promoter/ Promoter Group, Associates of Promoter/ Promoter Group, Subsidiaries of Promoter/Promoter Group of the Company;

b) There is no scheme of arrangement between the Company and an entity involving the Promoter/ Promoter Group, Related parties of Promoter/ Promoter Group; Associates of Promoter/ Promoter Group, Subsidiaries of Promoter/Promoter Group of the Company.

c) The Company has not acquired, 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 Company, under the Draft Scheme;

d) The Draft Scheme does not envisage merger of an unlisted entity which 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 and

e) The Draft Scheme does not envisage the transfer of the whole or substantially the whole of the undertaking, as defined under the SEBI circular, of a listed company in consideration in a form other than listed equity shares.

Restriction on Use

12 Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the aforesaid SEBI Circular. Our obligations in respect of this certificate are entirely separate from, and our responsibility and ability is in no way changed by any other role we may have (or we may had) as statutory auditors of the Company or otherwise. Nothing in this certificate nor contained anything said or done in course of or in connection with the services that are subject to this certificate, will extend any duty of care we may have in our capacity as statutory auditors of the Company.

13 This certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose to comply with requirements of the SEBI Circular for onward submission to the Stock Exchanges and any other regulatory authority as required under applicable law. 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 certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

JEYUR SHAH

Digitally signed by JEYUR SHAH
DN: c=IN, o=Personal , CID - 4726825, 2.5.4.20=775d82a4f1f878037a6afe856daeea78502a12448c9182e1012f2c54fb3b49f0, postalCode=380007, st=Gujarat, serialNumber=c02a4c9ab7d21dcdfb50ebb0988e963633ac6cda6af4bb4d5bcbc1421856d292, cn=JEYUR SHAH
Date: 2017.10.17 08:26:59 +05'30'

Jeyur Shah
Partner
Membership No: 045754

NILA INFRASTRUCTURES LIMITED

Undertaking in relation to Non-Applicability of requirements prescribed in Para 1(A)(9)(a) of Annexure-I of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('SEBI Circular') in respect of proposed Scheme of Arrangement between Nila Infrastructures Limited and Parmananday Superstructure Limited and their respective shareholders and creditors ('the Scheme')

This is in connection with the proposed Scheme of Arrangement between Nila Infrastructures Limited and Parmananday Superstructure Limited and their respective shareholders and creditors ('the Scheme') under section 230 to section 232 read with section 66 and other relevant provisions of the Companies Act, 2013, as may be applicable ('the Proposed Scheme')and pursuant to the SEBI Circular wherein SEBI has mandated all listed companies to ensure that the Scheme submitted with National Company Law Tribunal, Ahmedabad Bench for sanction, provides for voting by public shareholders through postal ballot and e-voting in certain cases, after disclosure of all material facts in the explanatory statement In terms of para (1)(A)(9)(a) of Annexure 1 of SEBI Circular.

Nila Infrastructures Limited hereby undertakes that the requirement of para (1)(A)(9)(a) of Annexure 1 of SEBI Circular pertaining to voting by public shareholders through postal ballot and e-voting is not applicable to the Company for the following reasons:

1) **Para (1)(A)(9)(a)(i)**

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

NILA INFRASTRUCTURES LTD. AHD

Registered Office:
1st floor, Sambhaav House
Opp. Chief Justice's Bungalow
Bodakdev, Ahmedabad 380015
Tel.: +91 79 4003 6817 / 18, 2687 0258
Fax: +91 79 3012 6371
e-mail: info@nilainfra.com

Reason for non-applicability

This clause is not applicable in our fact pattern as upon demerger coming into effect, the following has been envisaged:

- Issue of shares by the Resulting Company to the existing shareholders of the Demerged Company:

  Resulting Company shall issue and allot equity shares at par on a proportionate basis to each member of the Demerged Company whose name is recorded in the registers of members of the Demerged Company as holding equity shares on the Record Date (as mentioned in the Proposed Scheme) in the ratio of 1:1 i.e. 1 (one) equity share of INR 1 each of the Resulting Company to be issued for every 1 (one) equity share of INR 1 each of the Demerged Company held by the memberof the demerged Companies

- Cancellation of the shares by the Demerged Company in the Resulting Company; i.e. simultaneous with the issuance of equity shares by the Resulting Company to the shareholders of the Demerged Company, the equity shares of the Resulting Company held by the Demerged Company and its nominees will be cancelled.

This will ensure that the shareholding pattern of the Resulting Company are identical to the shareholding pattern of the Demerged Company.

Accordingly it is evident from the above that all the shareholders of the Demerged company would get shares in Resulting Company in proportion to their entitlement and there would be no allotment to Promoter / Promoter Group, Related party of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary / (s) of Promoter / Promoter Group of the listed entity

NILA INFRASTRUCTURES LTD

Registered Office:
1st floor, Sambhaav House
Opp. Chief Justice's Bungalow
Bodakdev, Ahmedabad 380015
Tel.: +91 79 4003 6817 / 18, 2687 0258
Fax: +91 79 3012 6371
e-mail: info@nilainfra.com

2) **Para (1)(A)(9)(a)(ii)**

Where the Scheme of Arrangement involves the listed company 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.

Reason for non-applicability

This clause is not applicable in our fact pattern as the Scheme envisaged between the Demerged Company and its wholly owned subsidiary (i.e. the Resulting Company) and thus it does not involve any arrangement between Demerged Company and any other entity / entities involving the Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/ (s) of Promoter / Promoter Group.

3) **Para (1)(A)(9)(a)(iii)**

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

Reason for non-applicability

This clause is not applicable as the Demerged Company (being the parent listed Company) has not acquired any equity shares of the Resulting Company, by paying consideration in cash or in kind in the past to any of the shareholders of the Resulting Company 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 company i.e. Demerged

NILA INFRASTRUCTURES LTD AHD

Company. Further, the Proposed Scheme is not for the purpose of merger of the subsidiary company with the parent listed company.

4) **Para (1)(A)(9)(a)(iv)**

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;

Reason for non-applicability

This clause is not applicable as the Demerged Company (being the parent listed Company) holds 100% equity shares of the Resulting Company, Further, the scheme of arrangement does not envisage merger of unlisted entity i.e. Parmananday Superstructure Limited with the Listed entity i.e. Nila Infrastructures Limited and therefore , the question of any reduction in the voting share of pre scheme shareholders of Nila Infrastructures Limited in Parmananday Superstructure Limited, by more than 5% of the total capital of the merged entity, does not arise at all.

5) **Para (1)(A)(9)(a)(v)**

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.

Reason for non-applicability

This clause is not applicable on demerger of Real Estate Undertaking from Nila Infrastructures Limited to Parmananday Superstructure Limited, since on demerger Parmananday Superstructure Limited would issue shares to the shareholders of Nila Infrastructures Limited in proportion of their

shareholding in Nila Infrastructures Limited pursuant to which Parmananday Superstructure Limited would get listed on the stock exchanges where shares of Nila Infrastructures Limited are listed.

In the light of above reasons, the Demerged Company is not required to seek approval of the public shareholders through postal ballot and e-voting in relation to the Proposed Scheme.

For Nila Infrastructures Limited

Company Secretary

NILA INFRASTRUCTURES LTD AHD

Date: 17.10.2017

Place: Ahmedabad

Registered Office:
1st floor, Sambhaav House
Opp. Chief Justice's Bungalow
Bodakdev, Ahmedabad 380015
Tel.: +91 79 4003 6817 / 18, 2687 0258
Fax: +91 79 3012 6371
e-mail: info@nilainfra.com