S.M. MATHUR & CO.
CHARTERED ACCOUNTANTS.

A-16, Aruna Asaf Ali Marg,
Qutab Institutionnal Area,
Next to Kamakshi Mandir
New Delhi-110067
(M) 9999888769

Ref.....

Dated :

Auditor's Certificate

To,

The Board of Directors,
Ritesh Properties and Industries Limited
11/5b, First Floor, Pusa Road,
New Delhi 110060.

We, the statutory auditors of Ritesh Properties and Industries Limited, (hereinafter referred to as "the Company"), have examined the proposed accounting treatment specified in clause 20 (as reproduced in Annexure-I) of the Draft Scheme of Amalgamation amongst Ritesh Spinning Mills Limited, Ritesh Impex Private Limited, H.B. Fibres Limited and Ritesh Properties and Industries Limited in terms of the provisions of section(s) 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. Copy of Annexure-I attached herewith.

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 only 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 there under and all the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013.

This Certificate is issued at the request of the Ritesh Properties and Industries Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the Bombay Stock Exchange (BSE). This Certificate should not be used for any other purpose without our prior written consent.

for S.M. Mathur & Co.
Chartered Accountants
Firm Registration No.: 006588N

S.M. MATHUR & Co. FRN 006588N New Delhi Chartered Accountants

(S.M. Mathur)
Designation: Proprietor
Membership Number: 013066

Place: New Delhi
Date: 17.10.2018.

(M) : 9899245633, 9811032993 E-mail: a77mathur@gmail.com

20 ACCOUNTING TREATMENT FOR AMALGAMATION

Upon the coming into effect of this Scheme, the amalgamation of the Transferor Company with the Transferee Company shall be accounted for as per the "Indian Accounting Standard (Ind AS) 103 for Business Combination" prescribed under section 133 of the Act, as notified under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time such that:-

20.1 Transferee Company shall, record all the assets and liabilities, including reserves of the Transferor Company vested in it pursuant to this Scheme, at their respective book values as appearing in the books of Transferor Company on the Appointed Date.

20.2 Inter-se-investment, if any, in the share capital between the Companies as appearing in the books of accounts of Transferee Company shall stand cancelled and there shall be no further obligation / outstanding in that behalf

20.3 The loans and advance or payables or receivables of any kind, held inter-se, if any, between Transferor Companies and Transferee Company, as appearing in their respective books of accounts shall stand discharged.

20.4 Transferee Company shall record in its books of accounts, all transactions of Transferor Companies in respect of Said Assets and Said Liabilities, income and expenses, from Appointed Date to Effective Date.

20.5 The difference between the share capital issued by the Transferee Company and the net assets of the Transferor Company acquired would be adjusted in the capital reserves of the Transferee Company. Also, the difference, if any arising from the cancellation of cross-holdings (if any) shall also be adjusted in the capital reserves of the Transferee Company.

20.6 If at the time of amalgamation, Transferor Company and Transferee Company have conflicting accounting policies, a uniform accounting policy shall be adopted by the Transferee Company following the amalgamation. The effects on the financial statements of any changes in accounting policies should be reported in accordance with the applicable accounting standards.