

**Independent Auditor's Report on buy back of equity shares pursuant to the requirement of Section 68 and Section 70 of the Companies Act, 2013 and Clause (xi) of Schedule I of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018, as amended**

To,  
The Board of Directors,  
Ashiana Housing Limited,  
304, Southern Park  
Saket District Centre,  
Saket, New Delhi – 110017

Dear Sirs,

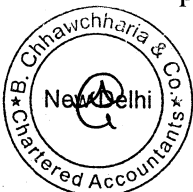
1. This Report is issued in accordance with the terms of our engagement letter dated July 10, 2023 with Ashiana Housing Limited (hereinafter the “**Company**”).
2. In connection with the proposal of the Company to buy back its equity shares in pursuance of the provisions of Section 68 and 70 of the Companies Act, 2013 (the “**Act**”) and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended (the “**SEBI Buy Back Regulations**”), and in terms of the resolution passed by the Board of Directors of the Company at its meeting held on July 12, 2023, we have been engaged by the Company to perform an reasonable assurance engagement on the Statement of permissible capital payment towards buyback of equity shares (the “**Statement**”), which we have initialled for identification purposes only.

**Board of Directors Responsibility for the Statement**

3. The preparation of the Statement is the responsibility of the Board of Directors of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Board of Directors are responsible to make a full inquiry into the affairs and to form an opinion as specified in clause (x) of Schedule I to the SEBI Buy Back Regulations on reasonable grounds and that the Company will not, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the date of board meeting and in forming the opinion, it has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act or the Insolvency and Bankruptcy Code, 2016. The Board of Directors are also responsible for ensuring that the Company complies with the requirements of the Act and SEBI Buy Back Regulations.

**Auditor's Responsibility**

5. Pursuant to the requirements of the SEBI Buy Back Regulations, it is our responsibility to provide reasonable assurance on the following “Reporting Criteria”:



- i. Whether we have inquired into the state of affairs of the Company in relation to its audited standalone and consolidated financial statements for year ended March 31, 2023.
  - ii. Whether the amount of capital payment for the buy back of equity shares as included in the statement has been properly determined and within the permissible limit in accordance with the provisions of Section 68 of the Act and Regulation 4(i) read with proviso to Regulation 5(i)(b) of the SEBI Buy Back Regulations;
  - iii. Whether the Board of Directors have formed the opinion, as specified in Clause (x) of Schedule I to the SEBI Buy Back Regulations, on reasonable grounds that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from the date of board meeting;
  - iv. Whether we are aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.
6. The standalone and consolidated financial statements referred to in paragraph 9 below as at and for the year ended March 31, 2023 have been audited by us, on which we issued an unmodified audit opinion vide our report dated May 30, 2023. Our audits of these financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by Institute of Chartered Accountants of India ("ICAI"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. 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.
9. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting Criteria mention in paragraph 5 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the Reporting Criteria. We have performed the following procedures in relation to the Statement:
  - i. We have inquired into the state of affairs of the Company in relation to its audited standalone and consolidated financial statements as at and for the year ended March 31, 2023. We have obtained and read the audited standalone and consolidated financial statements for the year ended March 31, 2023 including the unmodified audit opinions dated May 30, 2023;
  - ii. Examined authorization for buy back from the Articles of Association of the Company;
  - iii. Examined that the amount of permissible capital payment for the buy back as detailed in Annexure A has been properly determined and is within permissible limit computed in accordance with section 68 of the Act and Regulation 4(i) read with proviso to Regulation 5(i)(b) of the SEBI Buy Back Regulations;
  - iv. Examined that the ratio of debt owned by the Company, if any, shall not be more than twice the total paid-up equity share capital and its free reserves after such buy back;

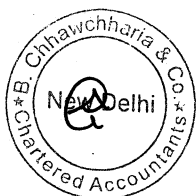


- v. Examined that all equity shares for buy back are fully paid-up;
- vi. Obtained the minutes of the meeting of the Board of Directors in which the proposed buy back was approved and compared the buy back amount with the permissible limit computed in accordance with section 68(2)(c) of the Act and Regulation 4(i) read with proviso to Regulation 5(i)(b) of the SEBI Buyback Regulations detailed in the Statement;
- vii. Obtained the prior lender consent letter from the Company and examined outstanding borrowings of the Company, and related agreements/ sanction letters of the lenders of the Company for examining breach of any covenant with such lenders;
- viii. Examined Director's declarations for the purpose of buy back and solvency of the Company;
- ix. Obtained the minutes of the meeting of the Board of Directors in which the buy back was approved and read the Board had formed the opinion as specified in SEBI Buy Back Regulations on reasonable grounds that the Company, having regard to the state of affairs, will not be rendered insolvent within a period of one year from that date of Board meeting:
- x. Examined that the Company has not availed any borrowings to discharge its obligations under the Buy Back;
- xi. Obtained necessary representations from the management of the Company.

## Opinion

10. Based on our examination as above, and the information and explanations given to us, we report that in our opinion,

- i. we have inquired into the Company's state of affairs in relation to its audited standalone and consolidated financial statements for year ended March 31, 2023;
- ii. The amount of permissible capital payment for the buy back of the equity shares as included in the Annexure A has been properly determined and is within the permissible limit in accordance with the provisions of Section 68(2)(c) of the Act and Regulation 4(i) read with proviso to Regulation 5(i)(b) of the SEBI Buy Back Regulations; and
- iii. the Board of Directors, in their meeting held on July 12, 2023, have formed the opinion, as specified in Clause (x) of Schedule I of the SEBI Buy Back Regulations, on reasonable grounds, that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of board meeting and we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration of solvency is unreasonable in circumstances as at the date of declaration.
- iv. The ratio of aggregate secured and unsecured debts owned by the Company to the paid-up capital and free reserves after the buy back shall be less than 2:1, based on both standalone and consolidated financials statements of the Company.



## Restriction on Use

11. This Report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the SEBI Buy Back Regulations solely to enable them to include it (a) in the public announcement to be made to the Shareholders of the Company, c) in the letter of offer to be filed with the Securities and Exchange Board of India, the National Stock Exchange of India Limited, BSE Limited (together referred as "Stock Exchanges"), the Registrar of Companies as required by the SEBI Buy Back Regulations, the National Securities Depository Limited and the Central Depository Securities (India) Limited, and (d) to be provided to the Emkay Global Financial Services Limited ("Manager to the Buy Back") 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.

### For B. Chhawchharia & Co.

Chartered Accountants

ICAI Firm Registration Number: 305123E



Abhishek Gupta

Partner

Membership No. 529082

UDIN: 23529082B6V0NH2580

Place: New Delhi

Date: 12<sup>th</sup> July, 2023



**Statement of Permissible Capital Payment (Annexure A)**

**Statement of permissible capital payment towards buy back of equity shares in accordance with section 68 (2)(c) of the Act and the SEBI Buy Back Regulations based on the audited standalone and consolidated financial Statements as at and for the year ended March 31, 2023**

(₹ in crores)

Particulars as on March 31, 2023		Standalone	Consolidated
Paid up equity share capital	A	20.47	20.47
<b>Free reserves as per Section 68 of the Act</b>			
Securities premium	B	199.58	199.58
Retained earnings	C	40.38	31.67
General Reserve	D	500.00	500.00
Total free reserves	E = (B + C + D)	739.96	731.25
Total paid up capital and free reserves	F = (A + E)	760.43	751.72
Permissible capital payment in accordance with proviso to section 68(2)(b) of the Act (10% of the total paid-up Equity Share capital and free reserves)	10% of F	76.04	75.17
Permissible capital payment in accordance with section 68(2)(c) of the Act (25% of the total paid-up equity capital and free reserves)	25% of F	190.10	187.93

*Note: Maximum amount permitted by the Board Resolution dated 12<sup>th</sup> July, 2023 approving buy back of equity shares of Ashiana Housing Limited is ₹ 55 crores.*

**Signed for identification by**

**For B. Chhawchharia & Co.**

**Chartered Accountants**

**ICAI Firm Registration Number: 305123E**

