

ANNEXURE 5

REPORT OF THE AUDIT COMMITTEE (“COMMITTEE”) OF SHRISTI INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED ON THE DRAFT SCHEME OF ARRANGEMENT BETWEEN SHRISTI INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED AND SHRISTI REALTY HOLDINGS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

This report of the Audit Committee is considered and approved by the Committee in its meeting held on 6th October, 2026:

Members Present:

Mr. Debaditya Chakrabarti	: Chairman of the Audit Committee
Mr. Kumar Shankar Dutta	: Member
Mr. Vinod Kumar Pandey	: Member
Ms. Laxmi Chauhan	: Member – through video conferencing

Convener:

Mr. Krishna Kumar Pandey	: Company Secretary
--------------------------	---------------------

1. Background:

- 1.1. The proposal to consider and recommend the draft Scheme of Arrangement between Shristi Infrastructure Development Corporation Limited (“**Demerged Company**” or “**SIDCL**” or “**Company**”) and Shristi Realty Holdings Limited (“**Resulting Company**” or “**SRHL**”) and their respective shareholders and creditors (“**Scheme**”) for the demerger of Krishnagar Sentrum (“**Demerged Undertaking**”) of the Company on a going concern basis and consequent issuance of equity shares by the Resulting Company to the shareholders of the Company (“**Demerger**”) under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 (“**the Act**”) & rules made thereunder (including any statutory modification or re-enactments thereof for the time being in force) and other Applicable Laws including the circulars issued by the Securities and Exchange Board of India (“**SEBI**”), applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification or re-enactments thereof for the time being in force) (“**SEBI LODR Regulations**”), Section 2(35) & Section 70 and other relevant provisions of Income-tax Act, 2025, and on the terms and conditions as stated therein., was presented to and considered by the members of the Audit Committee at its Meeting held on **6th October, 2026** at 11.30 a.m.
- 1.2. The Demerged Company is a public listed company incorporated under the provisions of the Companies Act, 1956 bearing CIN – L65922WB1990PLC049541. SIDCL is inter-alia, engaged in the fields of Infrastructure Construction and Infrastructure Development, Healthcare and Hotels and currently has projects across the States of West Bengal and Assam, including in the cities of Kolkata, Durgapur, Asansol, Krishnanagar, Agartala and Guwahati, and has developed Townships, Premium Residential Developments, Hotels, Hospitals, Mixed Use Developments, Shopping Malls, Logistics Hubs, Economic & Industrial Parks and more.



- 1.3. The Resulting Company is an unlisted public company incorporated under the provisions of the Companies Act, 2013, bearing the CIN – U68100WR2026PLC295726. It's object is to engage in the business of real estate developers, property developers, to develop any real estate project, township, business centers, industrial hub, growth centre, industrial estates, hotels, resorts, cottages, depots, warehouses, shops, villas, factories, offices, godowns etc.
- 1.4. SIDCL and SRHL collectively be referred to as the “Companies”.
- 1.5. The equity shares of the Company are listed on BSE Limited (“BSE”) and The Calcutta Stock Exchange Limited (“CSE”), (BSE and CSE shall collectively be referred to as “Stock Exchanges”). The Non-Convertible Debentures (“NCDs”) of the Demerged Company are listed on BSE. The Company shall be filing the Scheme along with necessary information/documents with the Stock Exchanges to obtain the No-objection letter from the Stock Exchanges to comply with the requirements of the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 (“SEBI Master Circular”), as issued by the SEBI, read with the SEBI LODR Regulations.
- 1.6. Post receipt of the no-objection letter from the Stock Exchanges, the Scheme shall be presented before the National Company Law Tribunal under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, the SEBI Master Circular and will be in compliance with Section 2(35), Section 70 and other applicable provisions of the Income Tax Act, 2025.
- 1.7. The Scheme would be subject to the requisite approvals, consents, sanctions and permissions of the Stock Exchanges, shareholders, creditors, NCLT and/or such other statutory/regulatory authorities, as may be applicable.
- 1.8. The Scheme complies with the definition of "demerger" as per Section 2(35), Section 70 and other provisions of Income Tax Act, 2025. If any terms are found to be or interpreted to be inconsistent with the said provisions of Income Tax Act, 2025, the Scheme shall stand modified/ amended to the extent determined necessary to comply and come within the definition and conditions relating to "demerger" as defined in Income Tax Act, 2025. In such an event the clauses which are inconsistent shall be modified or if the need arises be deemed to be deleted and such modification/deemed deletion shall however not affect the other parts of the Scheme. Words and expressions, used in capitalized form but not defined in this Report, shall have the meaning ascribed to them in the Scheme.
- 1.9. The Report of the Committee is made in compliance with the requirements of the SEBI Master Circular and pursuant to the SEBI LODR Regulations. The Committee is entitled to make relevant modifications to this Report, if required, and such modifications or amendments shall be deemed to form part of this Report.

2. Overview of the Scheme:

2.1. The Scheme is pursuant to the provisions of Sections 230 to 232 read with Section 66 of the Act and other provisions of the Applicable Law, and provides for, inter alia, the following:

- a) demerger by way of transfer as a going concern, on an as is where is basis, and vesting of the Demerged Undertaking (*as defined in the Scheme*) from the Demerged Company to the Resulting Company in accordance with Section 2(35), Section 70 and other relevant provisions of Income Tax Act, 2025, Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 and rules made thereunder, and the relevant provisions of the SEBI Master Circular and the SEBI LODR Regulations, and the consequent issuance of Resulting Company New Shares (*as defined in the Scheme*) by the Resulting Company to the eligible shareholders of the Demerged Company in accordance with the Share Entitlement Ratio (*as defined in the Scheme*) in the manner set forth in the Scheme;
- b) the reduction and cancellation of the entire pre-Scheme issued, subscribed and paid-up equity share capital of the Resulting Company held by the Demerged Company (whether directly or through its nominees);
- c) the listing of the equity shares of the Resulting Company on the Stock Exchanges (*as defined in the Scheme*); and
- d) various other matters consequential or otherwise integrally connected therewith in the manner set out in the Scheme.

2.2. The “**Appointed Date**” means 1st October, 2026, or such other date as the National Company Law Tribunal may decide/ approve being the date with effect from which the Scheme shall become effective and / or be deemed to have become effective.

2.3. The “**Effective Date**” shall mean the last of the dates on which all the conditions and matters as referred to in **Clause 22** of the Scheme occur or have been fulfilled or obtained or waived in accordance with this Scheme.

2.4. The Scheme shall become operative on and from the Effective Date, and the Demerged Undertaking shall stand transferred to, and be vested in, the Resulting Company on and with effect from the Appointed Date.

3. Documents Placed before the Audit Committee:

3.1. For the purpose of making this Report, the Audit Committee has considered and taken on record the following documents:

- (a) Draft Scheme of Arrangement;

Shristi Infrastructure Development Corporation Ltd.

Registered Office : Plot No. X - 1, 2 & 3, Block-EP, Sector-V, Salt Lake City, Kolkata-700 091
 Ph: +91 33 4020 2020/4015 4646 E-mail : contact@shristicorp.com
 www.shristicorp.com CIN - L 65922WB1990PLC049541



- (b) Share Entitlement Ratio Report dated 6th October, 2026, issued by Omnifin Valuation Services (OPC) P Ltd (Registration No. IBBI/RV-E/01/2022/160), Registered Valuer appointed by the Company for recommending the Share Entitlement Ratio for the proposed Demerger ("**Share Entitlement Ratio Report**");
- (c) Fairness Opinion Report dated 6th October, 2026, issued by Corpwis Advisors Private Limited (Reg. No. INM000012962), a Category-I SEBI registered Independent Merchant Banker appointed by the Company for providing the fairness opinion on the Share Entitlement Ratio recommended in the Share Entitlement Ratio Report ("**Fairness Opinion**");
- (d) Certificate dated 6th October, 2026 obtained from the Statutory Auditors of the Company i.e. M/s. R Kothari & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 307069E/E300266), to the effect that the Scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circular issued thereunder and all the applicable Accounting Standards notified by the Central Government under Section 133 of the Act and other generally accepted accounting principles ("**Statutory Auditor Certificate**");
- (e) Other presentations, reports, documents and information made to/furnished before the Audit Committee pertaining to the draft Scheme.

4. **Rationale/ Need for Demerger:**

The Scheme is expected to enable better realisation of potential of the Demerged Undertaking, yield beneficial results and enhanced value creation for the Companies (*as defined in the Scheme*) that are parties to this Scheme, their respective shareholders, creditors, lenders, consumers, and employees. The Scheme is proposed with a view, *inter alia*, to achieve the following benefits:

- (a) **Strategic Portfolio Realignment and Sharper Business Focus:** Segregation of the business comprised in the Demerged Undertaking from SIDCL's diversified development project portfolio comprising townships, residential, retail, logistics hubs and industrial park developments. While SIDCL's core business primarily comprises the development of township projects on substantial land parcels based on development rights, the Demerged Undertaking comprises the construction of the Krishnagar Sentrum (*as defined in the Scheme*). The Demerged Undertaking is accordingly distinct in terms of the nature, size, location and development requirements of the project and is proposed to be housed in a separate entity, i.e. the Resulting Company. This segregation would enable SIDCL to maintain greater focus on its core development business and its broader development portfolio, while allowing the Demerged Undertaking to be developed on a standalone basis through a separate management and organisational set-up;
- (b) **Focused Project Execution and Timely Development:** The Krishnagar Sentrum has a relatively shorter execution timeline as compared to the township projects generally undertaken by SIDCL, which typically involve development over a longer period. The project comprised in the Demerged Undertaking and the projects comprised in the

Remaining Business have divergent risk factors and requirements and housing them in the same entity limits the ability to address the specific requirements of the project comprised in the Demerged Undertaking. The segregation of the Demerged Undertaking is therefore expected to facilitate quicker decision-making and execution of the project, thereby enabling timely development and delivery of the project and providing greater focus towards the specific requirements and interests of the homebuyers;

- (c) **Greater Strategic and Financial Flexibility:** Increased flexibility for the Resulting Company to pursue the development of the Demerged Undertaking independently, including through project-specific funding and attracting business-specific investors and potential strategic partners, as may be appropriate, thereby enabling access to resources and capabilities specifically suited to the project comprised in the Demerged Undertaking thereby paving way for optimum growth and development of the business comprised in the Demerged Undertaking with separate management and setup;
- (d) **Continued Strategic Support and Value Creation:** While operating as an independent entity, the Resulting Company would continue to draw upon SIDCL's brand equity, experience, execution track record and goodwill, lending continuity and credibility to lenders, counterparties and regulatory authorities in relation to the Demerged Undertaking. The Scheme is accordingly expected to facilitate the sustainable and long-term growth and development of the Demerged Undertaking and contribute towards enhanced value creation for the Companies and their respective shareholders and other stakeholders; and
- (e) **Business of Resulting Company:** The proposed demerger will enable the Resulting Company to obtain an established Undertaking and undertake its business operations through the Demerged Undertaking.

Accordingly, the proposed Scheme is in the best interests of the respective Companies (*as defined in the Scheme*), their shareholders, creditors, employees and other stakeholders and is expected to facilitate the sustainable growth and development of the Demerged Undertaking and contribute towards long-term value creation for all stakeholders.

5. Synergies of business of the entities involved in the Scheme:

Upon effectiveness of the Scheme, the benefits and synergies mentioned in paragraph 4 above are expected to be derived by the Companies.

6. Impact of the Scheme on the Shareholders of the Company:

- 6.1. The Committee reviewed the draft Scheme of Arrangement, Share Entitlement Ratio Report, Fairness Opinion and Certificates from Statutory Auditors and noted the same and recommended the following:
 - (a) Upon the Scheme becoming effective, all properties, rights and powers and all debts, liabilities, duties and obligations in relation to the Demerged Undertaking shall be transferred to the Resulting Company on a going concern basis.

- (b) Further, pursuant to the Scheme, in consideration for the Demerger, the Resulting Company will issue its equity shares to the shareholders of the Demerged Company based on the Share Entitlement Ratio Report and basis the same the Share Entitlement Ratio would be:

"2 (two) fully paid-up equity shares of face value of INR 10 (ten) each of SRHL for every 9 (nine) fully paid-up equity shares of face value of INR 10 (ten) each held in SIDCL"

- (c) The existing equity shares of the Resulting Company shall stand cancelled pursuant to the Scheme. The Resulting Company shall seek listing of the equity shares allotted by it on the Stock Exchanges, where existing shares of Demerged Company are listed.
- (d) The provisions of this Scheme have also been drawn up to comply with the conditions relating to "Demerger" as defined under section 2(35) of the Income Tax Act, 2025.
- (e) Further, the Fairness Opinion confirmed that the Share Entitlement Ratio in the Share Entitlement Ratio Report is fair to the equity shareholders of the Demerged Company.
- (f) The impact of the Scheme on the shareholders, including the public shareholders, would be the same in all respects and no shareholder is expected to have any disproportionate advantage or disadvantage in any manner.
- (g) Based on the above and as there is no proposed change in the shareholding pattern of the Company pursuant to the Scheme, the Committee is of the informed opinion that the proposed Scheme is in the best interests of the shareholders of the Company and not detrimental to the interest of the shareholders, including the minority shareholders of the Company.

7. Cost Benefit Analysis of the Scheme:

Although the Scheme would result in the Company incurring costs towards its implementation, the benefits of the Scheme over a longer period of time will outweigh such costs for the stakeholders of the Company.

8. Recommendation of the Audit Committee:

- 8.1. After due deliberations and due consideration of all the terms of the draft Scheme of Arrangement, Share Entitlement Ratio Report, Fairness Opinion, certificates from Statutory Auditor, need and rationale of the Scheme, synergies of the business of the companies involved in the Scheme, impact of the Scheme on the Company and its shareholders, cost-benefit analysis of the Scheme and other documents placed before the Audit Committee, the Audit Committee recommends the draft Scheme of Arrangement for favourable consideration and approval by the Board.

- 8.2. This Report of the Committee is made after considering the above documents and the same shall be treated as compliance under the applicable provisions of the SEBI LODR Regulations, SEBI Master Circular and other applicable provisions, if any.

**For Audit Committee of
Shristi Infrastructure Development Corporation Limited**

Debaditya Chakrabarti
Debaditya Chakrabarti
Chairman, Audit Committee
DIN: 10625622



Place: Kolkata
Date: 14.10.2026