

To,  
The Board of Directors  
JK Paper Limited  
Fort Songadh, District Tapi,  
Gujarat, India - 394660

**Subject: Independent Auditor's Certificate on the proposed accounting treatment specified in the draft Composite Scheme of Arrangement for amalgamation of JKPL Utility Packaging Solutions Private Limited ("Transferor Company 1"), Securipax Packaging Private Limited ("Transferor Company 2"), Horizon Pack Private Limited ("Transferor Company 3") with and into JK Paper Limited ("Transferee Company" or "the Company") (refer Part C of the draft Scheme), Reduction and conversion of Redeemable Preference Shares of Enviro Tech Ventures Limited to unsecured loan (refer Part D of the draft Scheme) and amalgamation of Enviro Tech Ventures Limited ("Transferor Company 4") with and into the Transferee Company (refer Part F of the draft Scheme)**

1. This certificate is issued in accordance with the terms of our agreement dated 5 December 2024 with JK Paper Limited (CIN: L21010GJ1960PLC018099) (hereinafter the "Company"), having its registered office at Fort Songarh, District Tapi, Gujarat, India, 394660.
2. We, the Statutory Auditors of the Company, have examined the proposed accounting treatment specified in Clause 11 of Part C, Clause 19.2 of Part D and Clause 36 of Part F of the draft Composite Scheme of Arrangement for Amalgamation of JKPL Utility Packaging Solutions Private Limited ("Transferor Company 1"), Securipax Packaging Private Limited ("Transferor Company 2"), Horizon Pack Private Limited ("Transferor Company 3") with and into JK Paper Limited ("Transferee Company") and reduction and conversion of Redeemable Preference Shares of Enviro Tech Ventures Limited ("Demerged Company for Part 'E' of the Scheme and Transferor Company 4 For Part F") and Demerger of demerged undertaking of Enviro Tech Ventures Limited ("Demerged Company for Part 'E' of the Scheme and Transferor Company 4 For Part F of the Scheme") into PSV Agro Products Private Limited ("Resulting Company") and amalgamation of Enviro Tech Ventures Limited ("Demerged Company for Part 'E' of the Scheme and Transferor Company 4 For Part F of the Scheme") with and into JK Paper Limited ("Transferee Company") and Re-organization of reserves of the Transferee Company post effectiveness of the draft Scheme and their respective shareholders (hereinafter referred to as the "draft Scheme") as approved by the Board of Directors in their meeting held on 13<sup>th</sup> December 2024, in terms of the provisions of Section 230 to 232 read with other relevant provisions of the Companies Act, 2013 ("the Act") and rules made thereunder with reference to its compliance with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the rules made there under and other Generally Accepted Accounting Principles in India.
3. A certified true copy of the abstract of the Draft Scheme capturing the. proposed accounting treatment specified in the Draft Scheme, as attached herewith in Annexure A, has been initialed and stamped by us for identification purpose only.

**Responsibility of the Management of the Company**

4. The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Indian Accounting Standards (Ind AS) 103 –



Regd. Office: 19, Esplanade Mansions, 14 Government Place East, Kolkata 700069, West Bengal, India.  
Lodha & Co (ICAI Reg. No. 301051E) a Partnership Firm was converted into Lodha & Co LLP  
(Identification No. ACE-5752) a Limited Liability Partnership with effect from December 27, 2023

Kolkata Mumbai New Delhi Chennai Hyderabad Jaipur



'Business Combinations' as notified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) as aforesaid, and other applicable accounting standards, is that of the Board of Directors of the Companies involved. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the draft Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances, ensuring compliance SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circular issued thereunder; and providing all the relevant information to the Securities and Exchange Board of India (SEBI), the National Company Law Tribunal ('NCLT'), the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange Limited (NSE).

#### **Independent Auditor's Responsibility**

5. Our responsibility is only to examine and to provide a reasonable assurance whether the proposed accounting treatment specified in the draft Scheme, referred to above, complies with the applicable, Indian Accounting Standards (Ind AS) 103 – 'Business Combinations' as notified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other applicable accounting standards as stated under "Annexure A" to this certificate. 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.
6. We carried out our examination in accordance with the Guidance Note on Audit Reports or Certificates for Special Purposes (Revised 2016), issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. These Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
7. 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. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Scheme.
8. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated.

#### **Opinion**

9. Based on our examination and according to the information and explanations given to us, along with the representation provided by the management, in our opinion, the accounting treatment contained in Clause 11 of Part C, Clause 19.2 of Part D and Clause 36 of Part F of the draft Scheme (refer "Annexure A"), is in compliance with the applicable Indian Accounting Standards (Ind AS) 103 – 'Business Combinations' as notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, and other applicable accounting standards.



**Restriction on use**

10. This certificate is issued at the request of the Company for onward submission by the Company to the jurisdictional National Company Law Tribunal , the Securities and Exchange Board of India, and the BSE Limited, and the National Stock Exchange of India Limited (hereinafter referred to as 'the stock exchanges') in connection with the Composite Scheme of Arrangement. Our report should not be used for any other purpose or by any person other than the addressees of this report without our prior consent. Accordingly, we do not accept or assume any liability or 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, save where expressly agreed by our prior consent in writing.

**For Lodha & Co LLP  
Chartered Accountants  
Firm Registration No.: 301051E/E300284**

**Shyamal Kumar  
Partner**

**Membership No.: 509325**

**UDIN: 24509325BKA CAG 4489**

**Place: New Delhi**

**Date: 13 December 2024**





Annexure- "A"

Clause 11, Part C of the Draft Composite Scheme of Arrangement is produced below:

**11. ACCOUNTING TREATMENT**

*Upon the Scheme being effective and with effect from the Appointed Date 1, the Transferee Company shall account for the amalgamation of the Transferor Company 1, Transferor Company 2 and Transferor Company 3 into and within its books of accounts as per the "Pooling of Interest Method" in compliance with the Appendix C of Indian Accounting Standard 103 on Business Combinations and other Indian Accounting Standards, as applicable, and notified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India in the following manner:*

- 11.1. *As on the Appointed Date 1, the Transferee Company shall record all the Assets (including intangible assets), Liabilities and reserves (if and to the extent applicable) of the Transferor Company 1, Transferor Company 2 and Transferor Company 3, vested in it pursuant to this Scheme, at the carrying values appearing in the consolidated financial statements of the Transferee Company.*
- 11.2. *The identity of the reserves pertaining to the Transferor Company 1, Transferor Company 2, and Transferor Company 3 shall be preserved and shall appear in the financial statements of the Transferee Company in the same form in which they appeared in the financial statements of said Transferor Companies and it shall be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company, as on the Appointed Date 1, at the carrying values appearing in the consolidated financial statements of the Transferee Company.*
- 11.3. *Pursuant to the amalgamation of the Transferor Company 1, Transferor Company 2 and Transferor Company 3 with the Transferee Company, inter-company deposits/ loans and advances/ any other balances, if any, between the Transferee Company and the Transferor Companies as appearing in the books of the Transferee Company shall stand cancelled.*
- 11.4. *The value of all investments held by the Transferee Company in the Transferor Company 1, Transferor Company 2 and Transferor Company 3 shall stand cancelled pursuant to amalgamation and there shall be no further rights or obligations in that behalf.*
- 11.5. *The difference between the Assets, Liabilities, and reserves recorded in terms of Clause 11.1 above, and the cancellation of inter-company transactions and investments in Clause 11.2 and Clause 11.3 above shall be recorded as "Capital Reserve", and shall be classified and presented separately from other capital reserves recorded in the books of the Transferee Company.*
- 11.6. *In case of any differences in accounting policies between the Transferor Company 1, Transferor Company 2 and Transferor Company 3 and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies and the difference shall be quantified and adjusted in the Capital Reserve*
- 11.7. *Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of amalgamation, as stated above, from the beginning of the comparative period in the financial statements. However, in case where the acquisition of*





either of the Transferor Company 1, Transferor 2, and Transferor Company 3 has been consummated subsequent to the beginning of the comparative period in the financial statements, as aforementioned, the prior period information shall be restated only from the date of acquisition of the respective companies; and

- 11.8. Any matter not dealt with herein above shall be dealt with in accordance with the requirements of applicable IND AS.

**Clause 19.2, Part D of the Draft Composite Scheme of Arrangement is produced below:**

**19. ACCOUNTING TREATMENT**

**19.2 For the Transferee Company**

With effect from the Appointed Date 2, the RPS recorded in the books of the Transferee Company shall be recorded as unsecured loan receivable from the Transferor Company 4 or the Demerged Company at the amount that would have been payable by the Transferor Company 4 or the Demerged Company to the Transferee Company as per clause 18.1.1 and 18.1.2 thereof and any matter not dealt with herein above shall be dealt with in accordance with the requirements of applicable IND AS.

**Clause 36, Part F of the Draft Composite Scheme of Arrangement is produced below:**

**36. ACCOUNTING TREATMENT**

Upon the Scheme being effective and with effect from the Appointed Date 2, the Transferee Company shall account for the amalgamation of the Transferor Company 4 into and within its books of accounts as per the "Pooling of Interest Method" in compliance with the Appendix C of Indian Accounting Standard 103 on Business Combinations and other Indian Accounting Standards, as applicable, and notified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India in the following manner:

- 36.1. As on the Appointed Date 2, the Transferee Company shall record all the Assets and Liabilities of the Transferor Company 4 at the carrying values appearing in the financial statements of the Transferor Company 4;
- 36.2. The identity of the reserves shall be preserved and shall appear in the financial statements of the Transferee Company in the same form in which they appeared in the financial statements of Transferor Company 4 and it shall be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company, as on the Appointed Date 2.
- 36.3. The Transferee Company shall credit its share capital account in its books of account with the aggregate face value of the new equity shares issued to the shareholders of the Transferor Company 4;



- 36.4. Pursuant to the amalgamation of the Transferor Company 4 with the Transferee Company, inter-company deposits/ loans and advances/ any other balances between the Transferee Company and the Transferor Company 4, if any, appearing in the books of the Transferee Company shall stand cancelled;
- 36.5. The value of all investments held by the Transferee Company in the Transferor Company 4 shall stand cancelled pursuant to amalgamation and there shall be no further rights or obligations in that behalf;
- 36.6. The difference between the assets, liabilities, and reserves recorded in terms of Clause 36.1 and Clause 36.2 above, and the issuance of new equity shares in terms of Clause 36.3 above and cancellation of inter-company transactions and investments in Clause 36.4 and Clause 36.5 above shall be recorded as "Capital Reserve", and shall be classified and presented separately from other capital reserves recorded in the books of the Transferee Company;
- 36.7. In case of any differences in accounting policies between the Transferor Company 4 and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies;
- 36.8. Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of amalgamation, as stated above, from the beginning of the comparative period in the financial statements; and
- 36.9. Any matter not dealt with herein above shall be dealt with in accordance with the requirements of applicable IND AS.



For J K Paper Ltd.

*[Handwritten Signature]*  
Authorised Signatory



To,  
The Board of Directors,  
Enviro Tech Ventures Limited  
P.O Central Pulp Mills Fort Songadh,  
Surat, Fort Songadh, Gujarat- 394660

**Statutory Auditor's Certificate certifying the accounting treatment contained in the draft Composite Scheme of Arrangement for Reduction and Conversion of Redeemable Preference Shares of Enviro Tech Ventures Limited into unsecured loan (refer Part D of the draft Scheme), demerger of demerged undertaking of Enviro Tech Ventures Limited ("Demerged Company") into PSV Agro Products Private Limited (Refer Part E of the Scheme) and amalgamation of the Enviro Tech Ventures Limited ("Transferor Company 4") with and into the Transferee Company (refer in Part F of the draft Scheme).**

1. This certificate is issued in accordance with the terms of our engagement letter dated 10<sup>th</sup> December, 2024 with Enviro Tech Ventures Limited (CIN: U73100GJ2007PLC075963) (hereinafter the "Company"), having its registered office at Fort Songarh, District Tapi, Gujarat, India, 394660.
2. We, Lunawat & Co, Chartered Accountants, the Statutory Auditors of **Enviro Tech Ventures Limited**, the Demerged Company, have examined the proposed accounting treatment specified in Clause 19.1 of Part D and Clause 25.1 of Part E of the draft Composite Scheme of Arrangement for Amalgamation of JKPL Utility Packaging Solutions Private Limited ("Transferor Company 1"), Securipax Packaging Private Limited ("Transferor Company 2"), Horizon Pack Private Limited ("Transferor Company 3") with and into JK Paper Limited ("Transferee Company") and reduction and conversion of Redeemable Preference Shares of Enviro Tech Ventures Limited ("Demerged Company for Part 'E' of the Scheme and Transferor Company 4 For Part F") and Demerger of demerged undertaking of Enviro Tech Ventures Limited ("Demerged Company for Part 'E' of the Scheme and Transferor Company 4 For Part F of the Scheme") into PSV Agro Products Private Limited ("Resulting Company") and amalgamation of Enviro Tech Ventures Limited ("Demerged Company for Part 'E' of the Scheme and Transferor Company 4 For Part F of the Scheme") with and into JK Paper Limited ("Transferee Company") and Re-organization of reserves of the Transferee Company post effectiveness of the draft Scheme and their respective shareholders (hereinafter referred to as the "draft Scheme") as approved by the Board of Directors in their meeting held on 13 December 2024, in terms of the provisions of Section 230 to 232 read with other relevant provisions of the Companies Act, 2013 ("the Act") and rules made thereunder with reference to its compliance with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the rules made there under and other Generally Accepted Accounting Principles in India.





3. The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Indian Accounting Standards (Ind AS) 103 – 'Business Combinations' as notified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) as aforesaid, and other applicable accounting standards, is that of the Board of Directors of the Companies involved. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the draft Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances, ensuring compliance SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circular issued thereunder; and providing all the relevant information to the Securities and Exchange Board of India (SEBI), the National Company Law Tribunal ('NCLT'), the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange Limited (NSE).
4. Our responsibility is only to examine and report whether the draft Scheme, referred to above, complies with the applicable Accounting Standards, and other generally accepted accounting principles in India. 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.
5. We carried out our examination in accordance with the Guidance Note on Audit Reports or Certificates for Special Purposes (Revised 2016), issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. 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. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Scheme.

#### Opinion

7. Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in Clause 19.1 of Part D and Clause 25.1 of Part E of the Scheme, is in compliance with all the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013.
8. For ease of reference, Clause 19.1 of Part D and Clause 25.1 of Part E of the Scheme, duly authenticated on behalf of the Company, is reproduced in the annexure to this Certificate and is initialed by us only for the purposes of identification.





**Restriction on use**

9. This certificate is issued at the request of the Company for onward submission by the Company to the relevant National Company Law Tribunal, Ahmedabad Bench. Accordingly, this certificate may not be suitable for any other purpose, and should not be used, referred to or distributed for any other purpose without our prior written consent.

**For Lunawat & Co.**

Chartered Accountants

F.R. No. 000629N

CA. Vikas Kadam

Partner

M.No. 511351



Place: New Delhi

Date : 13.12.2024

UDIN: 24511351BKCEYN5492



**Annexure "A"**

Clause 19 of Part D

**Relevant Extract (Clause 19 of Part D of the Scheme) of the Draft Composite Scheme of Arrangement is produced below:**

**19. ACCOUNTING TREATMENT**

**19.1. For Transferor Company 4 or Demerged Company**

*Upon the Scheme becoming effective, and with effect from the Appointed Date 2, the following accounting entries shall be passed by Transferor Company 4 or the Demerged Company so as to give effect to Clause 18 above:*

*With effect from the Appointed Date 2, the cancellation and extinguishment of RPS, as per Clause 18, shall be recorded as unsecured loan at the amount that would have been payable by the Transferor Company 4 or the Demerged Company to the Transferee Company as per clause 18.1.1 and 18.1.2 thereof.*

Clause 25 of Part E

**Relevant Extract (Clause 25 of Part E of the Scheme) of the Draft Composite Scheme of Arrangement is produced below:**

**25. ACCOUNTING TREATMENT**

**25.1 In the books of the Demerged Company**

*The Demerged Company shall account for transfer of Demerged Undertaking to the Resulting Company in its books of accounts as per Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") as notified under Section 133 of the Companies Act, 2013 and the clarifications issued by the Institute of Chartered Accountants of India and on the date as determined in accordance with Ind AS, more specifically as under:*





i. All the assets, liabilities, and reserves pertaining to the Demerged Undertaking as on the Appointed Date 2, and recorded in the books of the Demerged Company, shall be reduced at their carrying amounts; and

ii. Any difference in the carrying amounts of assets, liabilities, and reserves pertaining to the Demerged Undertaking so reduced as mentioned above, shall be recorded as capital reserve in the books of the Demerged Company.







To,  
The Board of Directors,  
PSV Agro Products Private Limited  
Patriot House, 3, Bahadur Shah Zafar Marg,  
New Delhi.

**Statutory Auditor's Certificate certifying the accounting treatment contained in the draft Composite Scheme of Arrangement for reduction in the existing paid up share capital of Resulting Company and Demerger of demerged undertaking of Enviro Tech Ventures Limited ("Demerged Company") into PSV Agro Products Private Limited ("Resulting Company") (refer Part E of the draft Scheme).**

1. This certificate is issued in accordance with the terms of our engagement letter dated 5<sup>th</sup> December 2024 with PSV Agro Products Private Limited (CIN: U01820DL2017PTC325611) (hereinafter the "Company"), having its registered office at Patriot House, 3, Bahadur Shah Zafar Marg, New Delhi, North Delhi, Delhi, India, 110002.
2. We, A. K. Gutgutia & Co. , Chartered Accountants, the Statutory Auditors of **PSV Agro Products Private Limited**, the Resulting Company , have examined the proposed accounting treatment specified in Clause 25.2 of Part E of the draft Composite Scheme of Arrangement for Amalgamation of JKPL Utility Packaging Solutions Private Limited ("Transferor Company 1"), Securipax Packaging Private Limited ("Transferor Company 2"), Horizon Pack Private Limited ("Transferor Company 3") with and into JK Paper Limited ("Transferee Company") and reduction and conversion of Redeemable Preference Shares of Enviro Tech Ventures Limited ("Demerged Company for Part 'E' of the Scheme and Transferor Company 4 For Part F") and Demerger of demerged undertaking of Enviro Tech Ventures Limited ("Demerged Company for Part 'E' of the Scheme and Transferor Company 4 For Part F of the Scheme") into PSV Agro Products Private Limited ("Resulting Company") and amalgamation of Enviro Tech Ventures Limited ("Demerged Company for Part 'E' of the Scheme and Transferor Company 4 For Part F of the Scheme") with and into JK Paper Limited ("Transferee Company") and Re-organization of reserves of the Transferee Company post effectiveness of the draft Scheme and their respective shareholders (hereinafter referred to as the "draft Scheme") as approved by the Board of Directors in their meeting held on 13<sup>th</sup> December 2024, in terms of the provisions of Section 230 to 232 read with other relevant provisions of the Companies Act, 2013 ("the Act") and rules made thereunder with reference to its compliance with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the rules made there under and other Generally Accepted Accounting Principles in India.
3. The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards read with the rules made there under and other generally accepted accounting principles in India as aforesaid, is that of the Board of Directors of the Companies involved. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances, ensuring compliance SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circular issued thereunder; and providing all the relevant information to the Securities and Exchange Board of India (SEBI), the National Company Law Tribunal ('NCLT'), the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange Limited (NSE).





4. Our responsibility is only to examine and report whether the Draft Scheme, referred to above, complies with the applicable Accounting Standards, and other generally accepted accounting principles in India. 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.
5. We carried out our examination in accordance with the Guidance Note on Audit Reports or Certificates for Special Purposes (Revised 2016), issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. 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. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Scheme.

#### Opinion

7. Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in Clause 25.2 of Part E of the Scheme, is in compliance with all the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013.
8. For ease of reference, Clause 25.2 of Part E of the Scheme, duly authenticated on behalf of the Company, is reproduced in the annexure to this Certificate and is initialed by us only for the purposes of identification.

#### Restriction on use

9. This certificate is issued at the request of the Company for onward submission by the Company to the relevant National Company Law Tribunal, Ahmedabad Bench. Accordingly, this certificate may not be suitable for any other purpose, and should not be used, referred to or distributed for any other purpose without our prior written consent.

For A. K. GUTGUTIA & CO  
Chartered Accountants  
Firm's Registration Number: 000012N

*Sumit Jain*  
(SUMIT JAIN)

Partner

Membership No.: 099119

UDIN : 24099119BKBJMLTJ6684

Place : New Delhi

Date : 13<sup>th</sup> December, 2024



**Annexure "A"**

Clause 25 of Part E

**Relevant Extract (Clause 25.2 of Part E of the Scheme) of the Draft Composite Scheme of Arrangement is produced below:**

**25.2 In the books of the Resulting Company**

***On Account of Reduction of Existing Share Capital:***

*With effect from the Appointed Date 2, the Resulting Company shall account for reduction of existing share capital in its books of accounts in accordance with Section 133 of the Act and under any other relevant Indian Accounting Standard prescribed under the Companies (Indian Accounting Standard) Rules, 2015, issued by Ministry of Corporate Affairs as may be amended from time to time and other accounting principles generally accepted in India, in its books of accounts such that:*

- *The aforesaid reduction of equity shares of the Resulting Company shall be effected with effect from Appointed Date 2 by cancelling and extinguishing 10,000 number of equity shares of INR 10 each fully paid-up and returning to the shareholder for a consideration equal to the net asset value as on the Appointed Date 2 to the existing shareholders, subject to availability of cash and bank balance.*
- *With effect from the Appointed Date 2, the difference between the aggregate of carrying amount of equity shares so extinguished, as appearing in the balance sheet of the Resulting Company and cancelled through capital reduction as per Clause 24.1 above, on the one hand, and the amount of consideration payable on such extinguishment and cancellation, shall stand transferred to and be recorded as credit to the Capital Reduction Reserve.*
- *Upon payment to respective shareholders for cancellation of equity shares i.e. upon issuance of account payee cheque/ issuance of electronic credit instructions to the bank for credit of amount to the respective shareholders, amount paid will be adjusted against the Bank Account at the time of making such payment.*
- *The Resulting Company will pass appropriate adjustment entries in a prudent and commercially acceptable manner as per the generally accepted accounting principles in India*



*For Identification purpose only*



**On Account of Demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company:**

The Resulting Company shall give effect to accounting treatment in its books of account in accordance with the "Pooling of Interests Method" under Appendix C of Ind-AS 103 (Accounting for Business Combinations) and any other relevant Indian Accounting Standard prescribed under Section 133 of the Companies Act, 2013, as under:

- i. All the assets and liabilities of the Demerged Undertaking shall be recorded in the financial statements of the Resulting Company at the carrying value as appearing in the financial statements of Demerged Company (upon Part E of the Scheme becoming effective), as on the Appointed Date 2.
- ii. The identity of the reserves pertaining to the Demerged Undertaking shall be preserved and shall appear in the financial statements of the Resulting Company in the same form in which they appeared in the financial statements of Demerged Company and it shall be aggregated with the corresponding balance appearing in the financial statements of the Resulting Company, as on the Appointed Date 2.
- iii. The Resulting Company shall credit its share capital account in its books of account with the aggregate face value of the new equity shares issued to the shareholders of Demerged Company pursuant to Clause 26.1 of this Scheme.
- iv. To the extent that there are inter-company loans, deposits, obligations, balances or other outstanding including any interest thereon, as between the Resulting Company and Demerged Undertaking, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Resulting Company for the reduction of such assets or liabilities as the case may be.
- v. The excess / deficit of the value of the assets over the value of liabilities of the Demerged Undertaking, pursuant to demerger of the Demerged Undertaking from Demerged Company into the Resulting Company, and as recorded in the books of account of the Resulting Company shall, after adjusting the amount recorded in clauses 25.2.(i) to 25.2.(iv) above, be



For Identification purpose only

recorded as 'Capital Reserve' in the books of the Resulting Company and shall be presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

- vi. Notwithstanding anything to the contrary contained herein above, the Board of Directors of the Resulting Company, in consultation with its statutory auditors to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the applicable Accounting Standards as notified under Section 133 of the Companies Act, 2013 and the clarifications issued by the Institute of Chartered Accountant of India and generally accepted accounting principles.



For Identification purpose only