

Walker Chandio & Co LLP

Walker Chandio & Co LLP
10C Hungerford Street
5th Floor
Kolkata - 700 017
West Bengal, India
T +91 33 4050 8099

Independent auditor's certificate on the proposed accounting treatment included in the draft scheme of arrangement pursuant to SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/ 2021/0000000665 dated 23 November 2021, as amended from time to time ('the SEBI circular'), and sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

To,
The Board of Directors,
Kesoram Industries Limited
8th Floor, Birla Building,
9/1 R N Mukherjee Road,
Kolkata, West Bengal – 700 001

1. This certificate is issued in accordance with the terms of our engagement letter dated 30 June 2022 with Kesoram Industries Limited ('the Company' or 'the demerged Company').
2. We, the statutory auditors of the Company, have examined the proposed accounting treatment specified in Clause 10A of the draft scheme of arrangement between the Company and Cygnet Industries Limited ('the Resulting Company') and their respective shareholders (hereinafter referred to as the 'Draft Scheme') as approved by the Board of Directors in their meeting held on 25 August 2022, in terms of the provisions of the SEBI circular, Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('the Act') the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ('the rules') with reference to its compliance with the accounting standards prescribed under section 133 of the Act, read with relevant rules issued thereunder (the 'applicable accounting standards') and other generally accepted accounting principles in India. The relevant extracts towards the proposed accounting treatment specified in Clause 10A of the Draft Scheme, is attached herewith in Appendix I and has been initialed and stamped by us for identification purpose only.

Management's Responsibility

3. The responsibility for the preparation of the Draft Scheme, and its compliance with the relevant laws and regulations, including the applicable accounting standards and other generally accepted accounting principles in India, 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 of the Draft Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management is also responsible for ensuring that the Company complies with the requirements of the Act, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, circulars issued thereunder and the applicable accounting standards, in relation to the Draft Scheme, and for providing all relevant information to the relevant National Company Law Tribunal(s), the SEBI and the BSE Limited, the National Stock Exchange of India Limited and the Calcutta Stock Exchange Limited (hereinafter collectively referred to as 'the stock exchanges').



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandio & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41 Connaught Circus, Outer Circle, New Delhi, 110001, India

Walker Chandiook & Co LLP

Kesoram Industries Limited

Independent auditor's certificate on the proposed accounting treatment included in the draft scheme of arrangement (cont'd)

Auditor's Responsibility

5. Pursuant to the requirements of the relevant laws and regulations, it is our responsibility to provide a reasonable assurance as to whether the proposed accounting treatment specified in Clause 10A of the Draft Scheme complies with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), circulars issued thereunder, and the applicable accounting standards and other generally accepted accounting principles.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the 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, issued by the ICAI.

Opinion

8. Based on our examination as above and according to the information and explanations given to us, along with the representations provided by the management, in our opinion, the proposed accounting treatment specified in Clause 10A of the Draft Scheme, attached herewith and stamped by us for identification only, is in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), circulars issued thereunder, and the applicable accounting standards and other generally accepted accounting principles in India.

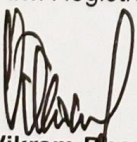
Restriction on use

9. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the requirements of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), circulars issued thereunder, Sections 230 to 232 and other applicable provisions of the Act read with the rules, for onward submission along with the Draft Scheme to the SEBI, the stock exchanges, and the relevant National Company Law Tribunal(s). Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have as statutory auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as statutory auditors of the Company.
10. This certificate is issued at the request of the Company's management for onward submission along with the Draft Scheme to the SEBI, the stock exchanges, and the relevant National Company Law Tribunal(s). Accordingly, this certificate may not be suitable for any other purpose, and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013


Vikram Dhanania

Partner

Membership No. 060568

UDIN: 22060568AQLYRF9870



Place: Kolkata

Date: 31 August 2022

Appendix I

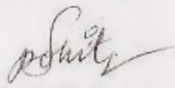
Proposed accounting treatment as mentioned in Clause 10A of Part II in the Scheme of Arrangement between Kesoram Industries Limited ("Demerged Company") and Cygnet Industries Limited ("Resulting Company")

10A. Accounting treatment in the books of the Demerged Company

Without prejudice to other provisions of the Scheme, pursuant to the Scheme coming into effect, the Demerged Company shall account for the demerger of the Demerged Undertaking in its books of account in the following manner:

- (a) The Demerged Company shall reduce the carrying values of the transferred assets and liabilities of the Demerged Undertaking, and Loans and advances outstanding between the Demerged Company and the Resulting Company that are cancelled pursuant to the Scheme, as appearing in its books of account (i.e., the book values) on the date of the Scheme coming into effect.
- (b) In accordance with Appendix A of Indian Accounting Standards ('Ind AS') 10, Events after the Reporting Period, notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 the Demerged Company shall debit the fair value of the aforesaid assets and liabilities as above to available General Reserves of the Demerged Company and then balance, if any, to Retained Earnings. The difference, if any, between the carrying amount of the assets and liabilities as per (a) above and the aforementioned fair value of such assets and liabilities, shall be recognised in the Statement of Profit and Loss.

For Kesoram Industries Limited


Rohit Shah
Chief Financial Officer

Place: Kolkata

Date: 31 August 2022



P + 91 33 2243 5453, 2242 9454
+ 91 33 2248 0764, 2213 0441
F + 91 33 2210 9455
E : corporate@kesoram.net

Kesoram Industries Limited
Registered & Corporate Office
9/1, R.N. Mukherjee Road, Kolkata - 700 001
CIN - L17119WB1919PLC003429

