

BANSI S. MEHTA & CO.
CHARTERED ACCOUNTANTS

Bansi S. Mehta
(Chief Mentor)

A. A. DESAI
D. R. DESAI (Ms.)
P. H. CLERK
M. V. SHAH
A. B. AGRAWAL
M. M. PADHIAR (Ms.)

K. R. GANDHI (Ms.)
Y. A. THAR
R. G. DOSH
A. A. AGRAWAL (Ms.)
U. A. SHAH (Ms.)

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The Board of Directors

Gujarat Sidhee Cement Limited

2nd Floor, N. K. Mehta International House
178, Backbay Reclamation
MUMBAI 400 020.

Independent Auditors' Certificate for the accounting treatment contained in the Scheme of Amalgamation

1. This certificate is issued in accordance with the terms of our Engagement Letter dated May 18, 2020.
2. We, Bansi S. Mehta & Co., Chartered Accountants, Mumbai, the Statutory Auditors of Gujarat Sidhee Cement Limited, have examined the proposed accounting treatment as specified in Clause 9 under Part B of the Draft Scheme of Amalgamation ("the Draft Scheme") with regard to the amalgamation of Bhadra Textiles and Trading Private Limited ("the Transferor Company 1") and Villa Trading Company Private Limited ("the Transferor Company 2") with Gujarat Sidhee Cement Limited ("the Company" or "the Transferee Company") and their respective shareholders in terms of the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 with reference to its compliance with the applicable Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with the rules made thereunder and other Generally Accepted Accounting Principles.



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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 Indian Accounting Standards read with the rules made thereunder and Other Generally Accepted Accounting Principles as aforesaid, is that of the Board of Directors of the Companies involved. This responsibility includes drafting and seeking advice of experts and other, understanding and specifying the accounting treatment as relevant matters to the preparation of the Draft Scheme. The responsibility of giving effect to the accounting treatment for the amalgamation as specified in Clause 9 under Part B of the Draft Scheme is that of the Board of Directors of the Transferee Company.

Auditor's responsibility

4. Our responsibility is only to examine and report whether the accounting treatment referred to in Clause 9 under Part B of the Draft Scheme referred to above comply with the applicable Indian Accounting Standard 103 on "Business Combinations" as specified under Section 133 of the Companies Act, 2013 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.
5. We carried out 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, in so far as applicable for the purpose of this Certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

Opinion

6. Based on our examination and according to the information and explanations given to us, we are of the opinion that the accounting treatment contained in Clause 9 under Part B of the aforesaid Draft Scheme, is in compliance with the applicable Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the rules made there under, and other Generally Accepted Accounting Principles, as applicable.

For ease of reference, Part B - Clause 9 under the Draft Scheme, duly authenticated on behalf of the Company, is reproduced in Annexure to this Certificate and is initialed by us only for the purpose of identification.



Restriction on use

7. This Certificate is issued at the request of the Company solely for the purpose of use by the Company for compliance with the requirements of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 in connection with the Draft Scheme of Amalgamation which is being submitted to the National Company Law Tribunal, Ahmedabad. Our Certificate should not be used for any other purpose or by any other person other than addressee of this Certificate without our prior written consent. 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 Certificate is shown or into whose hands it may come without our prior consent in writing.

For **BANSI S. MEHTA & CO.**
Chartered Accountants
Firm's Registration No. 100991 W



PARESH H. CLERK
Partner

Membership No. 36148
UDIN : 20036148AAAAAX6709

Place : MUMBAI
Date : May 19, 2020

Certified to be true copy
For Gujarat Sidhee Cement Limited

V. R. Mohnot
CFO & Company Secretary



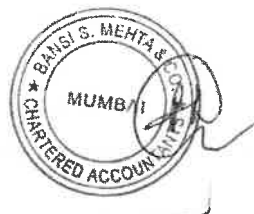
Annexure

Relevant extract of the Scheme of Amalgamation of Bhadra Textiles and Trading Private Limited (“the Transferor Company 1”) and Villa Trading Company Private Limited (“the Transferor Company 2”) with Gujarat Sidhee Cement Limited (“the Transferee Company”) in terms of provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013

9. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEEE COMPANY

On the Scheme becoming effective, with effect from the Appointed Date, the Transferee Company shall account for the amalgamation in its books of account as under :

- 9.1 The Transferee Company shall account for the amalgamation of the Transferor Companies in its books of account using the pooling of interest method in accordance with Appendix C to Indian Accounting Standard 103 on “Business Combinations of entities under common control” prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.
- 9.2 All the assets and liabilities appearing in the books of the Transferor Companies as on the Appointed Date, shall stand transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at their existing carrying amounts and in the same form as at the Appointed Date.
- 9.3 The balance of the retained earnings appearing in the books of account of the Transferor Companies as on the Appointed Date shall be transferred and aggregated with the corresponding balance of the retained earnings appearing in the books of account of the Transferee Company as on the Appointed Date.
- 9.4 The reserves standing in the books of account of the Transferor Companies as on the Appointed Date shall be transferred and vested in the Transferee Company as on the Appointed Date; the identity of reserves of Transferor Companies shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form in which those appeared in the financial statements of the Transferor Companies.



- 9.5 As provided under the Scheme, the equity shares of the Transferee Company held by the Transferor Company 1 shall stand cancelled and as a result equivalent equity share capital of the Transferee Company and the book value of investments held by the Transferor Company 1 in the Transferee Company shall also stand cancelled.
- 9.6 The aggregate face value of New Equity Shares issued by the Transferee Company to the shareholders of the Transferor Company 1 pursuant to the Scheme shall be credited to the Equity Share Capital Account of the Transferee Company.
- 9.7 As provided under the Scheme, the carrying amount of investments in the equity shares of the Transferor Company 2 held by the Transferee Company shall stand cancelled and there shall be no further obligation in that behalf. As a result, the carrying amount of the investments in the equity shares of the Transferor Company 2 and the Transferee Company's portion of equity of the Transferor Company 2 will be eliminated.

The effect of the accounting entries in respect of the Transferor Company 2 will be that the assets, liabilities and reserves of the Transferor Company 2 which were appearing in the consolidated financial statements of the Transferee Company immediately before the amalgamation would now be a part of the separate financial statements of the Transferee Company. Accordingly, the Transferee Company would recognise the carrying value of the assets, liabilities and reserves pertaining to the Transferor Company 2 as appearing in the consolidated financial statements of the Transferee Company.

- 9.8 The difference, if any, of the carrying amounts of assets over the carrying amounts of liabilities, carrying amounts of retained earnings and reserves transferred to the Transferee Company as stated above, and the sum of (a) the face value of New Equity Shares issued by the Transferee Company; and (b) cancellation of investments as per the Scheme as stated hereinabove, shall be transferred to Capital Reserve in the books of account of the Transferee Company and shall be presented separately from other capital reserves with disclosure of its nature and purpose in the notes.



- 9.9 Inter-Company transactions and balances including loans, advances, receivable or payable *inter se* between the Transferor Companies and the Transferee Company as appearing in their books of account, if any, shall stand cancelled;
- 9.10 In case of any differences in the accounting policies between the Transferor Companies and the Transferee Company, the impact of the same till the Appointed

Date will be quantified and adjusted to the Retained Earnings of the Transferee Company, to ensure that upon the Scheme coming into effect, the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policies.

9.11 Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of amalgamation, as stated above, as if the amalgamation had occurred from the beginning of the comparative period.



Certified to be true copy
For Gujarat Sidhee Cement Limited

A handwritten signature in blue ink.

V. R. Mohnot
CFO & Company Secretary