

**Independent auditor's certificate on the proposed accounting treatment included in the proposed Composite Scheme of Amalgamation pursuant to sections 230 to 232, Section 66 (to the extent applicable) read with Section 52, and other applicable provisions of the Companies Act, 2013, and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016**

The Board of Directors,  
JK Lakshmi Cement Limited,  
Jaykaypuram,  
Basantgarh District Sirohi,  
Rajasthan, India

1. We, S.S. Kothari Mehta & Co LLP, Chartered Accountants, the statutory auditors of JK Lakshmi Cement Limited (the "Company" or "JKLC"), having its registered office at Jaykaypuram, Basantgarh, Distt. Sirohi, Rajasthan, have received request from the Company to examine the proposed accounting treatment as specified in clause 3.6 of Part III, clause 4.6 of Part IV and clause 5.6 of Part V of the composite scheme of amalgamation between JKLC ("Amalgamated Company" or "Resultant Company"), Udaipur Cement Works Limited (Amalgamating Company 1), Hansdeep Industries & Trading Company Limited (Amalgamating Company 2), Hidrive Developers and Industries Private Limited (Amalgamating Company 3) and their respective shareholders and creditors (hereinafter referred to as the "Proposed Scheme") to be approved by the Board of Directors of the Company, in terms of the provisions of the Sections 230 to 232, Section 66 (to the extent applicable) read with Section 52, and other applicable provisions of the Companies Act, 2013 ('the Act') and 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 extract of the Proposed Scheme with the proposed accounting treatment as specified in clause 3.6 of Part III, clause 4.6 of Part IV and clause 5.6 of Part V of the Proposed Scheme is attached herewith in Appendix I, Appendix II and Appendix III which has been initialed and stamped by us for identification purpose only.

**Management Responsibility**

2. The responsibility for the preparation of the Proposed 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 Proposed Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
3. The Management is also responsible for ensuring that the Company complies with the Act and the rules, and the applicable accounting standards in relation to the Proposed Scheme and for providing all relevant information to the relevant National Company Law Tribunal.

**Auditor's Responsibility**

4. 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 as specified in clause 3.6 of Part III, clause 4.6 of Part IV and clause 5.6 of Part V of the Proposed Scheme complies with the applicable accounting standards and other generally accepted accounting principles.



5. A reasonable assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the reporting criteria. Accordingly, we have performed the following procedures in relation to the Certificate:
- i. Read the accounting treatment in the books of the Company specified in clause 3.6 of Part III, clause 4.6 of Part IV and clause 5.6 of Part V of the Proposed Scheme and obtained other necessary information and explanations from the management.
  - ii. Validated the accounting treatment as described in clause 3.6 of Part III, clause 4.6 of Part IV and clause 5.6 of Part V of the aforesaid Proposed Scheme with accounting treatment as prescribed under Accounting Standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, and the Companies (Accounting Standard) Amendment Rules, 2016, as amended.
  - iii. Taking necessary representation from the management.
6. Our examination did not extend to any aspects of a legal or propriety nature covered in the Proposed Scheme.
7. 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.
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, issued by the ICAI.

**Opinion**

9. Read with paragraph 5 above and based on procedures performed by us, and according to the information and explanations given to us, we report that the accounting treatment in the books of the Amalgamated /Resultant Company contained in clause 3.6 of Part III, clause 4.6 of Part IV and clause 5.6 of Part V of the Proposed Scheme, reproduced in the Appendix I, Appendix II and Appendix III enclosed herewith, is in compliance with all the applicable accounting standards notified by the Central Government under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, and the Companies (Accounting Standard) Amendment Rules, 2016, as amended.

**Restriction on Distribution or Use**

10. Our work was performed solely to assist the Company in meeting its responsibilities in relation to compliance with the requirements of the Sections 230 to 232, Section 66 (to the extent applicable) read with Section 52, and other applicable provisions of the Act read with the rules, for onward submission along with Merger Scheme to BSE Limited/NSE Limited/Securities Exchange Board of India (SEBI)/National Company Law Tribunal (NCLT). 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.



**SS KOTHARI MEHTA  
& CO. LLP**  
CHARTERED ACCOUNTANTS

11. This certificate is issued at the request of the Company's management pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission along with Merger scheme to BSE Limited/NSE Limited/Securities Exchange Board of India (SEBI)/National Company Law Tribunal (NCLT). 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 S S Kothari Mehta & Co. LLP  
Chartered Accountants  
FRN – 000756N/N500441

  
**Sunil Wahal**  
Partner  
M. No. 087294



Place: New Delhi  
Dated: July 31, 2024  
UDIN: 24087294BKAHMJ2127







## Appendix I

### Part III of the Proposed Composite Scheme of arrangement

#### Accounting Treatment

#### 3.6 Accounting Treatment in the books of the Amalgamated Company pursuant to the Amalgamation in terms of this Part III

3.6.1 Notwithstanding anything contained to the contrary elsewhere in this Scheme, upon this Scheme becoming effective, the Amalgamated Company shall account for Amalgamation of the Amalgamating Company 1 in its books of accounts in accordance with Ind AS notified under Section 133 of the 2013 Act, under the Companies (India Accounting Standards) Rules, 2015, as may be amended from time to time, and the date of such accounting treatment would be in accordance with the applicable Ind AS:

- (i) The Amalgamated Company shall record the assets and liabilities of the Amalgamating Company 1 vested in it pursuant to this Scheme at the respective carrying amounts as they would appear in the standalone books of accounts of the Amalgamating Company 1.
- (ii) The balance of the reserves appearing in the financial statements of the Amalgamating Company 1 will be aggregated with the corresponding balances of reserves as appearing in the financial statements of the Amalgamated Company.
- (iii) The identity of the reserves shall be preserved and shall appear in the financial statements of the Amalgamated Company in the same form in which they appeared in the financial statements of the Amalgamating Company 1.
- (iv) The Amalgamated Company shall credit its Share Capital account in its books of account with the aggregate face value of the Consideration Shares issued and allotted by the Amalgamated Company to the Eligible Shareholders of the Amalgamating Company 1 pursuant to Clause 3.5.7.
- (v) The amount of any inter-company balances/ deposits and loans or advances outstanding between the Amalgamated Company and the Amalgamating Company 1, if any, shall stand cancelled without any further act or deed, upon this Scheme becoming effective, and thereafter there shall be no obligation in that behalf.
- (vi) Investment appearing in the books of the Amalgamated Company in the form of Equity Shares and Preference Shares (including accrued and outstanding dividend) held in the Amalgamating Company 1 shall, without any further act or deed, stand cancelled in accordance with Clause 3.5.6.
- (vii) The difference, if any, between the value of net assets acquired and recorded as per clause (i) and the value of (a) reserves acquired and recorded as per clause (ii), (b) Consideration Shares issued and allotted as per clause (iv), (c) cancellation of inter-company balances/ deposits and loans or advances as per clause as per clause (v) and (d) cancellation of investments as per clause (vi) above shall be recorded as capital reserve account.
- (viii) In case of any difference in accounting policy between the Amalgamated Company and the Amalgamating Company 1, the accounting policies followed by the Amalgamated Company will

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*Ryan Shukla*





prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.

- (ix) Notwithstanding anything to the contrary contained herein above, the Board of Directors of the Amalgamated Company shall be allowed to account for any of these balances, including any of the matters not dealt with in clauses herein above, in any manner whatsoever as may be deemed fit in accordance with the Indian accounting standards (Ind AS) specified under section 133 of the 2013 Act read with Companies (Indian Accounting Standards) Rules, 2015.

For and on behalf of  
JK Lakshmi Cement Limited

(Priyank Shukla)  
(Head Accounts)



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## Appendix II

### Part IV of the Proposed Composite Scheme of arrangement

#### Accounting Treatment

#### 4.6 Accounting Treatment in the books of the Amalgamated Company pursuant to the Amalgamation in terms of this Part IV

4.6.1 Notwithstanding anything else contained in this Scheme, upon approval of the Scheme by the NCLT, the Amalgamated Company shall account for merger of the Amalgamating Company 2 in its books of accounts in accordance with Ind AS notified under Section 133 of the Act, under the Companies (India Accounting Standards) Rules, 2015, as may be amended from time to time, and the date of such accounting treatment would be in accordance with the applicable Ind AS:

- (i) The Amalgamated Company shall record the assets and liabilities of the Amalgamating Company 2 vested in it pursuant to this Scheme at the respective carrying amounts as they would appear in the standalone books of accounts of the Amalgamating Company 2.
- (ii) The balance of the reserves appearing in the financial statements of the Amalgamating Company 2 will be aggregated with the corresponding balances of reserves as appearing in the financial statements of the Amalgamated Company.
- (iii) The identity of the reserves shall be preserved and shall appear in the financial statements of the Amalgamated Company in the same form in which they appeared in the financial statements of the Amalgamating Company 2.
- (iv) The amount of any inter-company balances/ deposits and loans or advances outstanding between the Amalgamated Company and the Amalgamating Company 2, if any, shall stand cancelled without any further act or deed, upon this Scheme becoming effective, and thereafter there shall be no obligation in that behalf.
- (v) Investment appearing in the books of the Amalgamated Company in the form of Equity Shares held in the Amalgamating Company 2 shall, without any further act or deed, stand cancelled in accordance with clause 4.5.1.
- (vi) The difference, if any, between the value of net assets acquired and recorded as per clause (i) and the value of (a) reserves acquired and recorded as per clause (ii), (b) cancellation of inter-company balances/ deposits and loans or advances as per clause (iv) and (c) cancellation of investments as per clause (v) above shall be recorded as capital reserve account.
- (vii) In case of any difference in accounting policy between the Amalgamated Company and the Amalgamating Company 2, the accounting policies followed by the Amalgamated Company will prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.



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*Rajendra Kumar*





(viii) Notwithstanding anything to the contrary contained herein above, the Board of Directors of the Amalgamated Company, shall be allowed to account for any of these balances, including any of the matters not dealt with in clauses herein above, in any manner whatsoever as may be deemed fit in accordance with the Indian accounting standards (Ind AS) specified under Section 133 of the 2013 Act read with Companies (Indian Accounting Standards) Rules, 2015.

For and on behalf of  
JK Lakshmi Cement Limited

(Priyank Shukla)  
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