

PATANKAR
& ASSOCIATES

Chartered Accountants

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To,
The Board of Directors,
Gujarat Fluorochemicals Limited
Survey No 16/3, 26 and 27,
Village Ranjitnagar, Taluka Ghoghamba,
Panchmahal, Gujarat, 389380

Independent Auditor's Certificate on the proposed accounting treatment contained in the Draft Composite Scheme of Arrangement between Inox Leasing and Finance Limited, Inox Holdings and Investments Limited and Gujarat Fluorochemicals Limited and their respective shareholders under sections 230 to 232 read with other applicable provisions of the Companies Act, 2013 and rules framed thereunder

1. We M/s. Patankar & Associates, Chartered Accountants, the Statutory Auditors of Gujarat Fluorochemicals Limited (the "Company" or "Transferee Company") have been requested by the Company, having its registered office at the above-mentioned address, to certify the proposed accounting treatment specified in clause 19 of Part 3 of the Draft Composite Scheme of Arrangement between Inox Leasing and Finance Limited, Inox Holdings and Investments Limited and the Company and their respective shareholders (herein referred as the "Draft Scheme") under section 230 to 232 read with other applicable provisions of the Companies Act, 2013 (the "Act") and rules framed thereunder, with reference to its compliance with the applicable Indian Accounting Standards notified under Section 133 of the Act, read with the rules made thereunder and other Generally Accepted Accounting Principles and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder.

Management's Responsibility

2. The responsibility for the preparation of the Draft Scheme and compliance with relevant laws and regulations, including applicable Indian Accounting Standards and other generally accepted accounting principles as aforesaid, is that of the Boards of Directors of the Companies involved in the Draft Scheme. This responsibility includes the design, implementation and maintenance of internal controls 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.

Auditor's Responsibility

3. Pursuant to the requirements of the Act, it is our responsibility to examine and provide reasonable assurance whether the proposed accounting treatment specified in clause 19 of Part 3 of the Draft Scheme, as reproduced in Annexure 1 to the certificate, is in compliance with applicable Indian Accounting Standards notified under Section 133 of the Act read with the rules made thereunder 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.



164

4. We conducted our examination of the accounting treatment specified in clause 19 of Part 3 of the Draft Scheme as reproduced in Annexure 1 to the certificate in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
5. 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 ICAI.

Opinion

6. Based on our examination as above, and according to the information and explanations given to us, we report that the proposed accounting treatment in the books of Transferee Company specified in clause 19 of Part 3 of the Draft Scheme is in compliance with the applicable Indian Accounting Standards prescribed under Section 133 of the Act read with rules thereunder. The specified accounting treatment in clause 19 of Part 3 of the Draft Scheme, duly authenticated on behalf of the Company, is reproduced in Annexure 1 to this Certificate and is initialed by us only for the purposes of identification.

Restriction on Use

7. This report is addressed to and provided to the Board of Directors of the Company solely for the purpose given in paragraph 1 above and should not be used by any other person or for any other purpose. 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 report is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For Patankar & Associates
Chartered Accountants
Firm Registration No.: 107628W

S.S. Malani

(Sandesh S Malani)
Partner
Membership No: 110051
UDIN: 24110051BKUNH1373
Place: Pune
Date: 28/10/2024



Annexure I

Extract of Part 3 of the Draft Composite Scheme of Arrangement between Inox Leasing and Finance Limited ("Demerged/Transferor Company") and Inox Holdings and Investments Limited ("Resulting Company") and Gujarat Fluorochemicals Limited ("Transferee Company" or "Company"), in terms of the provisions of Section 230 to 232 of the Companies Act, 2013

19. ACCOUNTING TREATMENT

A. In the books of the Transferee Company

On the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall account for the amalgamation of the Transferor Company in its books of accounts in accordance with 'Pooling of Interest Method' of accounting as provided in Indian Accounting Standards-103 'Business Combinations' notified under section 133 of the Companies Act, 2013 such that:

- 19.1 All the assets and liabilities recorded in the books of the Transferor Company shall stand transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at their respective book values as appearing in the books of the Transferor Company, as on the Appointed Date. The Transferee Company shall credit to its share capital account in its books of account the aggregate face value of shares issued by it to the shareholders of the Transferor Company, pursuant to this scheme.
- 19.2 The identity of the reserves of the Transferor Company, if any, shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner, in which they appeared in the financial statements of the Transferor Company, prior to this Scheme becoming effective. All the reserves of the Transferor Company under different heads shall become the corresponding reserves of the Transferee Company.
- 19.3 To the extent that there are inter-corporate loans, inter-company payables, receivables (including loans, advances or debentures, deposits, balances etc.) and other obligations or balances between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.
- 19.4 Upon the coming into effect of this Scheme, inter Company investment in the books of Transferor Company and the Transferee Company, representing shares of Transferee Company and/ or the Transferor Company, as the case may be, will stand cancelled and be of no effect on and from the Effective Date.
- 19.5 The surplus/ deficit, if any, arising after taking the effect of Clause 19.1, Clause 19.2, Clause 19.3, Clause 19.4 and subject to Expenses of Amalgamation as referred in Clause 28 below, shall be transferred to "Capital Reserve" in the books of Transferee Company in accordance with the accounting principles.



- 19.6 In case of any differences in the accounting policies between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in the capital reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the true financial position on the basis of consistent accounting policies.
- 19.7 Notwithstanding the above, the Board of Directors of the Transferee Company, in consultation with its Statutory Auditor, are authorised to account for any of these balances in any manner whatsoever, as may be deemed fit, as per section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder.

For and on behalf of the Board of Directors
Gujarat Fluorochemicals Limited

B. Desai

Bhavin Desai
Company Secretary

Date: 28/10/2024
Place: Vadodara



[Handwritten mark]

