

Manubhai & Shah LLP

Chartered Accountants

To
The Board of Directors
Saurashtra Cement Limited
 N.K. Mehta International House
 Babubhai Chinai Road
 178 Backbay Reclamation
 Mumbai - 400 020

Independent Auditor's Certificate on pre amalgamation net worth of Saurashtra Cement Limited

1. This Certificate is issued in accordance with the terms of letter dated February 10, 2022 of Saurashtra Cement Limited ('the Company' or 'the Transferee Company').
2. The accompanying statement of computation of pre amalgamation net worth of the Company as at December 31, 2021 ('the Statement'), contains the details as required pursuant to the requirements of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the regulation"), for onward submission to the National Company Law Tribunal and other regulatory authorities including Securities and Exchange Board of India, Stock exchange(s) and Regional Director, Ministry of Corporate Affairs in connection with the Draft Scheme of Amalgamation ('the Draft Scheme') between Gujarat Sidhee Cement Limited ('Transferor Company') and the Company in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 ("the Act") and other applicable provisions, if any, of the Act and the regulation and circulars issued thereunder, and submitted to us vide letter dated February 10, 2022.

Management's responsibility for the Statement

3. The responsibility for the preparation of the Statement in compliance with the relevant laws and regulations, including the Draft Scheme and provisional financial statements of the Company for nine months ended on December 31, 2021 is that of the management of the Company. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditor's responsibility

4. Pursuant to the requirements of the regulation, our responsibility is to provide a reasonable assurance whether:
 - The amounts in the statement that form part of the pre amalgamation net worth computation have been accurately extracted from the provisional financial statements of the Company as at December 31, 2021; and
 - The computation of pre amalgamation net worth is arithmetically correct and is in accordance with the basis of computation set out in the Statement.
5. The provisional financial statements of the company referred to in this certificate, have been authenticated by the management.
6. We have performed the following procedures in respect of the Statement:
 - The amounts in the computation of the pre amalgamation net worth of the Company have been traced from the provisional financial statements of the Company as at December 31, 2021; and
 - We have verified that the computation of pre amalgamation net worth is arithmetically correct and is in accordance with the basis of computation set out in the Statement.
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. 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.

Manubhai & Shah LLP, a Limited Liability Partnership with LLP identity No.AAG-0878
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For Saurashtra Cement Limited
 Shashi Sanas
 President (CS, Legal & Strategy)

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.

Opinion

9. Based on our examination as above and according to the information and explanations and representations given to us by the Company's management, we are of the opinion that:
- The amounts in the Statement (initialed by us for identification purposes only) that form part of the pre amalgamation net worth computation have been accurately extracted from the provisional financial statements of the Company as at December 31, 2021; and
 - The computation of pre amalgamation net worth is arithmetically correct and is in accordance with the basis of computation set out in the Statement.

Restriction on use

10. This certificate is issued at the request of the Company and is addressed to the Board of Directors of the Company solely for the use of management of the Company for the purposes of onward submission to the National Company Law Tribunal and other regulatory authorities including Securities and Exchange Board of India, Stock exchange(s) and Regional Director, Ministry of Corporate Affairs to comply with the requirement of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Certificate is shown or into whose hands it may come without our prior consent in writing.



Place: Ahmedabad

Date: February 16, 2022

For Manubhai & Shah LLP

Chartered Accountants

Firm Registration No.: 106041W/W100136

Kuntal

(K C Patel)

Partner

Membership No.: 30083

UDIN: 22030083ACWIHJ4704

Encl: Statement of computation of pre amalgamation net worth

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For Saurashtra Cement Limited

Sonal Sanas
Sonal Sanas
President (CS, Legal & Strategy)

Saurashtra Cement Limited

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Statement showing Computation of Pre Amalgamation Net Worth of Saurashtra Cement Limited as at December 31, 2021:

Sr. No.	Particulars	Amounts ₹ in lakhs	
I	Paid up Equity Share capital		7,023.47
II	Reserves and Surplus		
	Capital Redemption Reserve	737.60	
	Securities Premium	11,351.18	
	Share Options Outstanding	409.11	
	General Reserve	5,786.29	
	Retained Earnings	19,077.04	
	Total		37,361.22
III	Net Worth (I+II)		44,384.69

Notes & Basis of Computation:

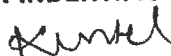
- 1) The Board of Directors of the Saurashtra Cement Limited (SCL) and Gujarat Sidhee Cement Limited (GSCL) in their meeting held on February 5, 2022 have approved the amalgamation of GSCL with SCL. The appointed date for merger is January 1, 2022. The above Statement is prepared to determine the net worth of Saurashtra Cement Limited (the Transferee Company), Pre Amalgamation.
- 2) Net Worth is calculated as per definition u/s 2(57) of the Companies Act, 2013. As per definition, "net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
- 3) The aforesaid Statement of pre amalgamation net worth has been prepared on the basis of provisional financial statements of the Company for the nine months ended December 31, 2021.
- 4) For the determination of net worth, change in fair value of investments in Equity Shares included under Equity Instruments through Other Comprehensive Income is not considered.

For Saurashtra Cement Limited



Rakesh Mehta
(CFO)

SIGNED FOR IDENTIFICATION BY



MANUBHAI & SHAH LLP
CHARTERED ACCOUNTANTS

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For Saurashtra Cement Limited


Anjali Sanas
President (CS, Legal & Strategy)

THE
MEHTA
GROUP

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Near Railway Station, Ranavav 360 560
Gujarat, India

Manubhai & Shah LLP

Chartered Accountants

To
The Board of Directors
Saurashtra Cement Limited
 N.K. Mehta International House
 Babubhai Chinai Road
 178 Backbay Reclamation
 Mumbai - 400 020

Independent Auditor's Certificate on post amalgamation provisional net worth of Saurashtra Cement Limited

1. This Certificate is issued in accordance with the terms of letter dated February 10, 2022 of Saurashtra Cement Limited ('the Company' or "the Transferee Company").
2. The accompanying statement of computation of post amalgamation provisional net worth of the Company as at December 31, 2021 ('the Statement'), contains the details as required pursuant to the requirements of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the regulation"), for onward submission to the National Company Law Tribunal and other regulatory authorities including Securities and Exchange Board of India, Stock exchange(s) and Regional Director, Ministry of Corporate Affairs in connection with the Draft Scheme of Amalgamation ('the Draft Scheme') between Gujarat Sidhee Cement Limited ('Transferor Company') and the Company in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 ("the Act") and other applicable provisions, if any, of the Act and the regulation and circulars issued thereunder, and submitted to us vide letter dated February 10, 2022.

Management's responsibility for the Statement

3. The responsibility for the preparation of the Statement in compliance with the relevant laws and regulations, including the Draft Scheme and provisional financial statements of the Company for the year ended on December 31, 2021 is that of the Board of Directors of the Company. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditor's responsibility

4. Pursuant to the requirements of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, our responsibility is to provide a reasonable assurance whether:
 - The amounts in the Statement that form part of the post amalgamation provisional net worth computation have been accurately extracted from the provisional financial statements of the Company and transferor company as at December 31, 2021 and correctly determined considering the proposed accounting treatment and Share Entitlement ratio specified in the Draft Scheme and per independent valuer's report; and
 - The computation of post amalgamation provisional net worth is arithmetically correct and is in accordance with the basis of computation set out in the Statement.
5. The provisional financial statements of the company and the transferor company referred to in this certificate, have been authenticated by the management of respective companies.
6. We have performed the following procedures in respect of the Statement:
 - We have been provided by the Company's management with a certified true copy of the Draft Scheme, proposed to be filed by the Transferee Company with the National Company Law Tribunal and other regulatory authorities including Securities and Exchange Board of India, Stock exchange(s) and Regional Director, Ministry of Corporate Affairs and we have read the same and noted the impact of the proposed accounting treatment mentioned in 'Clause 9 – Accounting Treatment' of the Draft Scheme and we have not performed any other procedures in this regard;

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For Saurashtra Cement Limited

Sonali Sanas
 President (CS, Legal & Strategy)

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Chartered Accountants

- The amounts in the computation of the post amalgamation provisional net worth of the Transferee Company have been verified after considering the impact of the proposed accounting treatment mentioned in 'Clause 9 – Accounting Treatment' of the Draft Scheme and based on the Share Entitlement Ratio as per the Draft Scheme and independent valuers' report; and
 - We have verified that the computation of post amalgamation provisional net worth is arithmetically correct and is in accordance with the basis of computation set out in the Statement.
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. 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.
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.

Opinion

9. Based on our examination as above and according to the information and explanations and representations given to us by the Company's management, we are of the opinion that:
- The amounts in the Statement (initialed by us for identification purposes only) that form part of the post amalgamation provisional net worth computation have been accurately extracted from the provisional financial statements of the Company and the transferor company as at December 31, 2021 and correctly determined considering the proposed accounting treatment specified in the Draft Scheme and based on the Share Entitlement Ratio as per the Draft Scheme and independent valuers' report; and
 - The computation of post amalgamation provisional net worth is arithmetically correct and is in accordance with the basis of computation set out in the Statement.

Restriction on use

10. This certificate is issued at the request of the Company and is addressed to the Board of Directors of the Company solely for the use of management of the Company for the purposes of onward submission to the National Company Law Tribunal and other regulatory authorities including Securities and Exchange Board of India, Stock exchange(s) and Regional Director, Ministry of Corporate Affairs to comply with the requirement of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Certificate is shown or into whose hands it may come without our prior consent in writing.

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For Saurashtra Cement Limited

Sonal Saras
President (CS, Legal & Strategy)
Place: Ahmedabad



Date: February 16, 2022

For Manubhai & Shah LLP
Chartered Accountants
Firm Registration No.: 106041W/W100136

K C Patel

(K C Patel)
Partner
Membership No.: 30083
UDIN: 22030083ACWJEG8943

Encl: Statement of computation of post amalgamation provisional net worth

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Statement showing Computation of Post Amalgamation Provisional Net Worth of Saurashtra Cement Limited as at January 1, 2022:

Sr. No.	Particulars	Amounts ₹ In lakhs	
I	Equity Share Capital (Paid up capital)		11,041.81
II	Reserves and Surplus		
	Capital Reserve	6,921.68	
	Capital Redemption Reserve	737.60	
	Securities Premium	12,096.37	
	Share Options Outstanding	545.79	
	General Reserve	5,786.29	
	Retained Earnings	27,976.99	
	Total		54,064.72
III	Net Worth (I+II)		65,106.53

Notes & Basis of Computation:

- 1) The Board of Directors of the Saurashtra Cement Limited (SCL) and Gujarat Sidhee Cement Limited (GSCL) in their meeting held on February 5, 2022 have approved the amalgamation of GSCL with SCL. The appointed date for merger is January 1, 2022. The above Statement is prepared to determine the net worth of Saurashtra Cement Limited (the Transferee Company), Post Amalgamation.
- 2) Net Worth is calculated as per definition u/s 2(57) of the Companies Act, 2013. As per definition, "net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
- 3) The aforesaid Statement of post amalgamation provisional net worth has been prepared on the basis of provisional financial statements of the Transferee Company and the Transferor Company for the nine months ended December 31, 2021, taking into account the proposed accounting treatment contained in the Scheme.
- 4) For the determination of net worth, change in fair value of investments in Equity Shares included under Equity Instruments through Other Comprehensive Income is not considered.
- 5) On implementation of the Capital Reduction Scheme of the Transferor Company pursuant to the Order of the Board for Industrial and Financial Reconstruction ("the BIFR") in 2012-13, the sum credited to Capital Reserve - Capital Reduction Account represents the reduction of Share Capital in excess of losses adjusted and hence, the same is considered for the purpose of determining post amalgamation provisional net worth.

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For Saurashtra Cement Limited

Sonali Sanas
President (CS, Legal & Strategy)



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- 6) For the purpose of calculation of provisional net worth, share entitlement ratio has been considered as per the scheme and the equity shares of the Transferee Company held by the Transferor Company as well as equity shares of the Transferor Company held by the Transferee Company shall stand cancelled.

For Saurashtra Cement Limited

Rakesh Mehta
(CFO)

SIGNED FOR IDENTIFICATION BY

MANUBHAI & SHAH LLP
CHARTERED ACCOUNTANTS

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For Saurashtra Cement Limited

Sonali Sanas
President (CS, Legal & Strategy)