

Walker Chandniok & Co LLP

Walker Chandniok & Co LLP
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Independent auditor's certificate on the proposed accounting treatment included in the draft scheme of arrangement pursuant to SEBI circular no. CFD/DIL3/CIR/2017/21 dated 10 March 2017, 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,
Jindal Stainless Limited,
Jindal Centre, 12, Bhikhaji Cama Place,
New Delhi- 110066.

1. This certificate is issued in accordance with the terms of our engagement letter dated 24 November 2020 with Jindal Stainless Limited ('the Company' or 'the Amalgamated Company').
2. We, the statutory auditors of the Company, have examined the proposed accounting treatment specified in the draft scheme of arrangement between Jindal Stainless (Hisar) Limited, JSL Lifestyle Limited, JSL Media Limited, Jindal Stainless Corporate Management Services Private Limited (hereinafter collectively referred as 'Amalgamating Companies') and the Company (refer Appendix II) and their respective shareholders and creditors (hereinafter referred to as the 'Draft Scheme') as approved by the Board of Directors in their meeting held on 29 December 2020, in terms of the provisions of the SEBI circular, Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('the Act') and 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, relevant rules issued thereunder (the 'applicable accounting standards') and other generally accepted accounting principles in India. A certified true copy of the Draft Scheme, with the proposed accounting treatment specified in the Draft Scheme (refer Appendix II), as attached herewith in Appendix I, 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

Chartered Accountants

Offices in Bangalore, Chandigarh, Chennai, Gurgaon, Hyderabad, Kolkata, Mumbai, New Delhi, Pune and Thane

Certified True Copy
For Jindal Stainless Limited

 Anand Rajwanshi
Company Secretary

Walker Chandniok & Co LLP is registered with limited liability with identification number AAC2395 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

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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 and the rules, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the SEBI circular, and the applicable accounting standards, in relation to the Draft Scheme, and for providing all relevant information to the relevant National Company Law Tribunal, the SEBI, and the BSE Limited, and the National Stock Exchange of India Limited (hereinafter referred to as 'the stock exchanges').

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 the Draft Scheme (refer Appendix II) complies with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), the SEBI circular, and the applicable accounting standards and other generally accepted accounting principles read with the General Circular No. 09/2019 dated 21 August 2019 issued by the Ministry of Corporate Affairs ('MCA General Circular').
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 the Draft Scheme (refer Appendix II), attached herewith and stamped by us for identification only, is in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), the SEBI circular, and the applicable accounting standards and other generally accepted accounting principles in India read with the MCA General Circular.

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), the SEBI circular, 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. 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.

Walker Chandniok & Co LLP

Independent auditor's certificate on the proposed accounting treatment included in the draft scheme of arrangement pursuant to SEBI circular no. CFD/DIL3/CIR/2017/21 dated 10 March 2017, 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 (contd.)

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. 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 Chandniok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

RAJNI

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by RAJNI

MUNDRA

MUNDRA

Date: 2020.12.29

12:16:07 +05'30'

Rajni Mundra

Partner

Membership No. 058644

UDIN: 20058644AAAAJD2522

Place: New Delhi

Date: 29 December 2020

liquidated or wound-up and without requiring any further act, instrument or deed from the Amalgamating Company No. 1 and/or the Amalgamated Company.

18 ACCOUNTING TREATMENT

Upon Part B of the Scheme becoming effective, with effect from the Appointed Date, the Amalgamated Company shall account for the amalgamation in its books of accounts, as per 'Acquisition Method' in accordance with accounting principles as laid down in Ind AS-103 notified under Section 133 of the Act and under the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time, such that:

- (i) In line with the recognition principles provided under Indian Accounting Standard 103 on Business Combinations, the Amalgamated Company shall recognise all assets and liabilities of the Amalgamating Company No. 1 transferred to and vested in the Amalgamated Company pursuant to Part B of this Scheme at their respective fair values as on the Appointed Date. Such assets may also include acquired identifiable intangible assets, whether previously recorded in the books of accounts of the Amalgamating Company No. 1 or not. Upon Part B of the Scheme coming into effect, the above recognition shall result in the Amalgamated Company recording all the assets and liabilities of the Amalgamating Company No. 1 transferred to and vested in it pursuant to this Scheme.
- (ii) The Amalgamated Company shall record issuance of the new equity shares at fair value and accordingly credit to its share capital account the aggregate face value of the new equity shares issued by the Amalgamated Company. The excess of the fair value of the new equity shares over the face value of new equity shares issued by the Amalgamated Company in accordance with Clause 15 shall be credited to the securities premium account.
- (iii) Inter-company balances between the Amalgamated Company and the Amalgamating Company No. 1, if any, shall stand cancelled and there shall be no further obligation in that behalf.
- (iv) Investments held by the Amalgamating Company No. 1 in the Amalgamated Company shall stand cancelled pursuant to the amalgamation and the investment value as appearing in the books of the Amalgamating Company No. 1 shall be reduced from the equity share capital of the Amalgamated Company to the extent of face value of equity shares of the Amalgamated Company held by the Amalgamating Company No. 1 and securities premium account.
- (v) Excess, if any, of fair value of new equity shares issued as per sub-Clause (ii) above over the fair value of net assets taken over as per sub-Clause (i) above, after giving the effect to sub-Clause (iii) and sub-Clause (iv) above, shall be recorded as goodwill. In case of deficit, it shall be credited to capital reserve account.

Certified to be true

For JINDAL STAINLESS LIMITED


Navneet Raghuvanshi
Company Secretary

the Amalgamating Company No. 2.

37 ACCOUNTING TREATMENT

Upon Part D of the Scheme becoming effective, with effect from the Appointed Date, the Amalgamated Company shall account for the amalgamation in its books of accounts, as per 'Acquisition Method' in accordance with accounting principles as laid down in Ind AS-103 notified under Section 133 of the Act and under the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time, such that:

- (i) In line with the recognition principles provided under Indian Accounting Standard 103 on Business Combinations, the Amalgamated Company shall recognise all assets and liabilities of the Amalgamating Company No. 2 transferred to and vested in the Amalgamated Company pursuant to this Scheme at their respective fair values as on the Appointed Date. Such assets may also include acquired identifiable intangible assets, whether previously recorded in the books of accounts of the Amalgamating Company No. 2 or not. Upon the Part D of the Scheme coming into effect, the above recognition shall result in the Amalgamated Company recording all the assets and liabilities of the Amalgamating Company No. 2 transferred to and vested in it pursuant to Part D of this Scheme.
- (ii) The Amalgamated Company shall record issuance of the new equity shares at fair value and accordingly credit to its share capital account the aggregate face value of the new equity shares issued by the Amalgamated Company. The excess of the fair value of the new equity shares over the face value of new equity shares issued by the Amalgamated Company in accordance with Clause 34 shall be credited to the securities premium account.
- (iii) Investment held by Amalgamating Company no. 1 in the Amalgamating Company No. 2 shall be cancelled.
- (iv) Inter-company balances between the Amalgamated Company and the Amalgamating Company No. 2, if any, shall stand cancelled and there shall be no further obligation in that behalf.
- (v) Excess, if any, of fair value of new equity shares issued and cancellation of investments as per sub-Clause (ii) and (iii) respectively above the fair value of net assets taken over as per sub-Clause (i) above, after giving the effect to sub-Clause (iv) above, shall be recorded as goodwill. In case of deficit, it shall be credited to capital reserve account.

For JINDAL STAINLESS LIMITED


Navneet Raghuvanshi
Company Secretary

without limitation, execute all necessary or desirable writings and confirmations on behalf of the Amalgamating Company No. 3 to carry out and perform all such acts, formalities and compliances as may be required in this regard.

- 42.2 The provisions of this Clause shall operate notwithstanding anything to the contrary contained in any deed or writing or certificate or license or the terms of sanction or issue or any security, all of which instruments and documents shall stand modified and/or superseded by the foregoing provisions.

43 SAVING OF CONCLUDED TRANSACTIONS

Except as expressly provided hereunder including in Clause 41.4 and Clause 41.5, the transfer of properties and liabilities to, and the continuance of proceedings by or against, the Amalgamated Company as envisaged in this Part E shall not affect any transaction or proceedings already concluded by the Amalgamating Company No. 3 on or before the Appointed Date and after the Appointed Date and until the Effective Date, and to such end and intent the Amalgamated Company accepts and adopts all acts, deeds and things done and executed by the Amalgamating Company No. 3 in respect thereto as done and executed on behalf of itself.

44 DISCHARGE OF CONSIDERATION

- 44.1 Upon Part B of the Scheme coming into effect on the Effective Date, Amalgamating Company No. 3 which is currently a wholly owned subsidiary of Amalgamating Company No. 1 will become a wholly owned subsidiary of the Amalgamated Company, hence no further shares of the Amalgamated Company will be issued upon the amalgamation of the Amalgamating Company No. 3 with the Amalgamated Company.
- 44.2 The Board of Directors (including any committee thereof) of Amalgamating Company No. 3 shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme.

45 DISSOLUTION OF AMALGAMATING COMPANY NO. 3

- 45.1 Upon Part E of this Scheme becoming effective on the Effective Date, the Amalgamating Company No. 3 shall stand automatically dissolved as an integral part of this Scheme, without being liquidated or wound-up and without requiring any further act, instrument or deed from the Amalgamating Company No. 3 and/or the Amalgamated Company.

46 ACCOUNTING TREATMENT

Upon Part E of the Scheme becoming effective, with effect from the Appointed Date, the Amalgamated Company shall account for the amalgamation in its books of accounts, as per 'Acquisition Method' in accordance with accounting principles as laid down in Ind AS-103 notified under Section 133 of the Act and under the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time, such that:

- (i) In line with the recognition principles provided under Indian Accounting Standard 103 on Business Combinations, the Amalgamated Company shall recognise all assets and liabilities of the Amalgamating Company No. 3 transferred to and vested in the Amalgamated Company pursuant to this Scheme at their respective fair values as on the Appointed Date. Such assets may also include acquired identifiable intangible assets, whether previously recorded in the books of accounts of the Amalgamating Company No. 3 or not. Upon Part E of the Scheme coming into effect, the above

- recognition shall result in the Amalgamated Company recording all the assets and liabilities of the Amalgamating Company No. 3 transferred to and vested in it pursuant to this Scheme.
- (ii) Investment held by Amalgamating Company No. 1 in the Amalgamating Company No. 3 shall be cancelled.
 - (iii) Inter-company balances between the Amalgamated Company and the Amalgamating Company No. 3, if any, shall stand cancelled and there shall be no further obligation in that behalf.
 - (iv) Excess, if any, of investment cancelled as per sub-Clause (ii) above the fair value of net assets taken over as per sub-Clause (i) above, after giving the effect to sub-Clause (iii) above, shall be recorded as goodwill. In case of deficit, it shall be credited to capital reserve account.

Certified to be true
For JINDAL STAINLESS LIMITED



Navneet Raghuvanshi
Company Secretary

- (ii) do all such respective acts or things as may be necessary to effectually transfer/obtain in favour of the Amalgamated Company the approvals, consents, bids, awards, tenders, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates etc. which were held or enjoyed by the Amalgamating Company No. 4 including without limitation, execute all necessary or desirable writings and confirmations on behalf of Amalgamating Company No. 4 and to carry out and perform all such acts, formalities and compliances as may be required in this regard.

- 51.2 The provisions of this Clause shall operate notwithstanding anything to the contrary contained in any deed or writing or certificate or license or the terms of sanction or issue or any security, all of which instruments and documents shall stand modified and/or superseded by the foregoing provisions.

52 SAVING OF CONCLUDED TRANSACTIONS

Except as expressly provided hereunder including in Clause 50.4 and Clause 50.5, the transfer of properties and liabilities to, and the continuance of proceedings by or against, the Amalgamated Company as envisaged in this Part F shall not affect any transaction or proceedings already concluded by the Amalgamating Company No. 4, on or before the Appointed Date and after the Appointed Date and until the Effective Date, and to such end and intent the Amalgamated Company accepts and adopts all acts, deeds and things done and executed by the Amalgamating Company No. 4 in respect thereto as done and executed on behalf of itself.

53 DISCHARGE OF CONSIDERATION

- 53.1 Upon Part B of this Scheme coming into effect on the Effective Date, the Amalgamating Company No. 4 which is currently jointly owned by the Amalgamated Company and the Amalgamating Company No. 1, will become a wholly owned subsidiary of the Amalgamated Company, hence no further shares of the Amalgamated Company will be issued upon amalgamation of Amalgamating Company No. 4 into and with the Amalgamated Company.
- 53.2 The Board of Directors (including any committee thereof) of the Amalgamating Company No. 4 and the Amalgamated Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme.

54 DISSOLUTION OF AMALGAMATING COMPANY NO. 4

- 54.1 Upon Part F of this Scheme becoming effective on the Effective Date, the Amalgamating Company No. 4 shall stand automatically dissolved as an integral part of this Scheme, without being liquidated or wound-up and without requiring any further act, instrument or deed from the Amalgamating No. 4 and/or the Amalgamated Company.

55 ACCOUNTING TREATMENT

- 55.1 Upon Part F of the Scheme becoming effective, with effect from the Appointed Date, the Amalgamated Company shall account for the amalgamation in its books of accounts, as per 'Acquisition Method' in accordance with accounting principles as laid down in Ind AS-103 notified under Section 133 of the Act and under the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time, such that:
- (i) In line with the recognition principles provided under Indian Accounting Standard 103 on Business Combinations, the Amalgamated Company shall recognise all assets and liabilities of the Amalgamating Company No. 4 transferred to and vested in the Amalgamated Company pursuant to this Scheme at their respective fair values as on the Appointed Date.

Such assets may also include acquired identifiable intangible assets, whether previously recorded in the books of accounts of the Amalgamating Company No. 4 or not. Upon the Part F of the Scheme coming into effect, the above recognition shall result in the Amalgamated Company recording all the assets and liabilities of the Amalgamating Company No. 4 transferred to and vested in it pursuant to this Scheme.

- (ii) Investment held by Amalgamated Company and Amalgamating Company No. 1 in the Amalgamating Company No. 4 shall be cancelled.
- (iii) Inter-company balances between the Amalgamated Company and the Amalgamating Company No. 4, if any, shall stand cancelled and there shall be no further obligation in that behalf.
- (iv) Excess, if any, of investment cancelled as per sub-Clause (ii) above over the fair value of net assets taken over as per sub-Clause (i) above, after giving the effect to Clause sub-(iii) above, shall be recorded as goodwill. In case of deficit, it shall be credited to capital reserve account.

For JINDAL STAINLESS LIMITED



Navneet Raghuvanshi
Company Secretary

Walker Chandio & Co LLP

Appendix II to Independent auditor's certificate on the proposed accounting treatment included in the draft scheme of arrangement pursuant to SEBI circular no. CFD/DIL3/CIR/2017/21 dated 10 March 2017, 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

Appendix II

Amalgamating Companies collectively means Amalgamating Company No. 1, Amalgamating Company No. 2, Amalgamating Company No. 3 and Amalgamating Company No. 4.

Particulars	Reference	Reference clause for accounting treatment
Jindal Stainless (Hisar) Limited	Amalgamating Company No. 1	Clause 18 mentioned under Part B
JSL Lifestyle Limited	Amalgamating Company No. 2	Clause 37 mentioned under Part D
JSL Media Limited	Amalgamating Company No. 3	Clause 46 mentioned under Part E
Jindal Stainless Corporate Management Services Private Limited	Amalgamating Company No. 4	Clause 55 mentioned under Part F



Certified True Copy
For Jindal Stainless Limited
Navneet R

Navneet Raghuvanshi
Company Secretary