

Ref: KR/AL/2024-25/02

To,
The Board of Directors
Arvind Limited
Nardoda Road
Ahmedabad – 380015, Gujarat

Independent Auditor's Certificate certifying the proposed accounting treatment contained in the draft Composite Scheme of Arrangement under section 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder amongst Arvind Limited and Arvind Advanced Materials Limited and their respective shareholders and creditors

1. This certificate is issued in accordance with the terms of our engagement letter dated April 30, 2024.
2. We, Deloitte Haskins & Sells LLP (Firm's registration no: 117366W/W-100018), Chartered Accountants, the Statutory Auditors of **Arvind Limited** ("the Company/ the transferor Company"), having its Registered Office at Naroda Road, Ahmedabad-380025, Gujarat have examined the proposed accounting treatment specified in Clause 8.1 with regard to proposed demerger of Advanced Materials Undertaking ("the Demerged Undertaking") of the Company with the Arvind Advanced Materials Limited; as specified in the draft Composite Scheme of Arrangement under section 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder between the Arvind Limited and Arvind Advanced Materials Limited and their respective shareholders and creditors (hereinafter referred as "the draft Scheme") with reference to its compliance with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the rules made there under and other generally accepted accounting principles in India.

For ease of reference, Clause 8.1 of the draft Scheme, duly authenticated on behalf of the Company, is reproduced in Annexure 1 to this Certificate and is stamped and initialed by us only for the purposes of identification.

Management's responsibility

3. The responsibility for the preparation of the draft Scheme and its compliance with the relevant laws and regulations, including Section 133 of the Companies Act, 2013, 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 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 and includes the compliance with other relevant provisions of the Companies Act, 2013 and applicable laws and regulations.



Auditor's responsibility

4. Our responsibility is only to examine and report whether the proposed accounting treatment in the books of the transferor Company referred to in Clause 8.1 of the draft Scheme referred to above comply with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013, as applicable, read with the rules made there under, and other generally accepted accounting principles in India, as applicable and did not include examination of compliance with other relevant provisions of the Companies Act, 2013 and applicable laws and regulations. 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. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid draft Scheme.
5. We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), issued by the Institute of Chartered Accountants of India ("ICAI") in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. 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

7. Based on our examination and according to the information and explanations given to us, we are of the opinion that the proposed accounting treatment contained in Clause 8.1 of the draft Scheme is in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and circulars issued there under, in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 with reference to its compliance with the applicable Accounting Standards, notified under Section 133 of the Companies Act, 2013, read with the rules made thereunder and other generally accepted accounting principles in India, as applicable.

Restriction on use

8. This certificate is issued at the request of the Company pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under, in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013, for onward submission by the Company to the Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and National Company Law Tribunal with respect to the draft Scheme. This Certificate



should not be used for any other purpose 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 DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



Kartikeya Raval

Kartikeya Raval

Partner

(Membership No. 106189)

UDIN: 24106189BKFGUP5485

Place: Ahmedabad
Date: May 6, 2024

ANNEXURE 1

Relevant extract of the Composite Scheme of Arrangement (Demerger) amongst Arvind Limited (Transferor Company) and Arvind Advanced Materials Limited (Transferee Company) and their respective shareholders and creditors

ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEROR COMPANY

8.1 ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEROR COMPANY:

- Notwithstanding anything to the contrary contained herein, the Transferor Company shall account for the transfer of the Advanced Materials Undertaking in its books of account on the Appointed Date in accordance with the accounting standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and the generally accepted accounting principles in India.
- Upon the Scheme becoming effective, the Transferor Company will reduce the carrying value of all the assets and liabilities of the Advanced Materials Undertaking, as appearing in the books of account of the Transferor Company, being transferred to and vested in the Transferee Company, from the respective carrying value of assets and liabilities of the Transferor Company.
- The difference, if any, between the carrying value of the assets and liabilities of the Advanced Materials Undertaking transferred to the Transferee Company and the consideration received/receivable will be adjusted against Retained earnings under the head "Other Equity".

For and on behalf of **Arvind Limited**



Name: Krunal Bhutta
Designation: Company Secretary

Place: Ahmedabad

Date: 6/5/24.

SORAB S. ENGINEER & CO. (Regd.)
CHARTERED ACCOUNTANTS

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To,
The Board of Directors,
Arvind Advanced Materials Limited
Naroda Road
Ahmedabad - 380015, Gujarat

Independent Auditor's Certificate certifying the proposed accounting treatment contained in the draft Composite Scheme of Arrangement under section 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder amongst Arvind Limited and Arvind Advanced Materials Limited and their respective shareholders and creditors.

1. This certificate is issued in accordance with the terms of our engagement letter dated April 30, 2024.
2. We, Sorab S. Engineer and Co (Firm's registration no: 110417W), Chartered Accountants, the Statutory Auditors of Arvind Advanced Materials Limited ("the Company"), having its Registered Office at Naroda Road, Ahmedabad-380025, Gujarat have examined the proposed accounting treatment specified in Clause 8.1 with regard to proposed merger of Advanced Materials Undertaking ("the Merged Undertaking") of Arvind Limited; as specified in the draft Composite Scheme of Arrangement under section 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder between the Arvind Limited and the Company and their respective shareholders and creditors (hereinafter referred as "the draft Scheme") with reference to its compliance with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the rules made there under and other generally accepted accounting principles in India.

For ease of reference, Clause 8.1 of the draft Scheme, duly authenticated on behalf of the Company, is reproduced in Annexure 1 to this Certificate and is stamped and initialed by us only for the purposes of identification.

Management's responsibility

3. The responsibility for the preparation of the draft Scheme and its compliance with the relevant laws and regulations, including Section 133 of the Companies Act, 2013, 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 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 and includes the compliance with other relevant provisions of the Companies Act, 2013 and applicable laws and regulations.

Auditor's responsibility

4. Our responsibility is only to examine and report whether the proposed accounting treatment in the books of the Company referred to in Clause 8.1 of the draft Scheme

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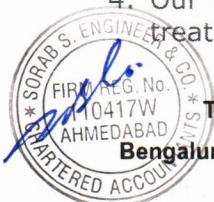
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SORAB S. ENGINEER & CO. (Regd.)

referred to above comply with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013, as applicable, read with the rules made thereunder, and other generally accepted accounting principles in India, as applicable and did not include examination of compliance with other relevant provisions of the Companies Act, 2013 and applicable laws and regulations. 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. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid draft Scheme.

5. We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), issued by the Institute of Chartered Accountants of India ("ICAI") in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. 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

7. Based on our examination and according to the information and explanations given to us, we are of the opinion that the proposed accounting treatment contained in Clause 8.1 of the draft Scheme is in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and circulars issued thereunder, in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 with reference to its compliance with the applicable Accounting Standards, notified under Section 133 of the Companies Act, 2013, read with the rules made thereunder and other generally accepted accounting principles in India, as applicable.

Restriction on use

This certificate is issued at the request of the Company pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under, in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013, for onward submission by the Company to the Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and National Company Law Tribunal with respect to the draft Scheme. This Certificate should not be used for any other purpose 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 **Sorab S. Engineer and Co.**

Firm Registration No 110417W

Chartered Accountants

Chokshi Shreyas B.

CA. Chokshi Shreyas B.

Partner

Membership No. 100892

UDIN: 24100892BJZWWH5083



Ahmedabad

May 06, 2024

Annexure 1

8.1 ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFeree COMPANY:

Since the transaction involves entities which are under common control before and after Slump Sale, the Transferee Company shall account for the transfer and vesting of Advanced Materials Undertaking (which qualifies as 'Business' as per the definition mentioned in IND AS 103) as per the 'Pooling of interest method' in its books of accounts in accordance with Appendix C 'Business combinations of entities under common control' of the IND AS 103 'Business Combinations' prescribed under Section 133 of the Act as enumerated below:

- a) All identifiable assets and the liabilities acquired, including reserves/retained earnings related to the Advanced Materials Undertaking, shall be recorded at their respective carrying values as appearing in the books of accounts of the Transferee Company as on Appointed Date;
- (b) The identity of the reserves transferred by the Transferor Company relating to the Advanced Materials Undertaking, as mentioned in (a) above, shall be preserved and shall appear in the books of accounts of the Transferee Company in the same manner and form, in which they appeared in the books of accounts of the Transferor Company.
- (c) The balance, if any, between the consideration provided under clause 7 above and aggregate effect of clause (a) and (b) above shall be adjusted to the Capital reserve.
- (d) Accordingly, the reserves mentioned in clause (b) and (c) above which are available for distribution as dividend earlier would also be available for distribution as dividend after Scheme becoming effective by the Transferee Company.
- (e) Expenses incurred for implementation of the Scheme and for the transfer of Advanced Materials Undertaking shall be adjusted to the reserves and surplus account of the Transferee Company.

