

To,
The Board of Directors,
Rudra Ecovation Limited
(Formerly Known as Himachal Fibres Limited)
Plot No. 43-44, Industrial Area,
Barotiwala-174 103, Himachal Pradesh

Dear Sirs,

We, Anuj Gupta & Associates Chartered Accountants being PCA of **Rudra Ecovation Limited (Formerly Known as Himachal Fibres Limited)** (hereinafter referred to as “the Company”), have examined the proposed accounting treatment specified in **Clause 13** of the Draft Scheme of Amalgamation of Rudra Ecovation Limited (Formerly Known as Himachal Fibres Limited) with Shiva Texfabs Limited (the Draft Scheme) in terms of the provisions of Sections 230-232 of the Companies Act, 2013, with reference to its compliance with the applicable Accounting Standards notified under Companies Act, 2013 and Other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards, as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is only to examine and report whether the Draft Scheme complies with the applicable Accounting Standards 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. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, we confirm the following:

- (i) **Relevant sections of Companies Act, 2013 and applicable Indian Accounting Standards, applicable in connection with the accounting treatment in the Draft Scheme is as below:**

Section 133 of the Companies Act, 2013 and the Indian Accounting Standard (Ind AS) 103.

- (ii) **The following accounting treatment as mentioned in the Draft Scheme is in compliance with the provisions of the Section 133 of the Companies Act, 2013 and the Indian Accounting Standard (Ind AS) 103 and other Generally Accepted Accounting Principles, as applicable:**

- 1.1 Upon the Scheme becoming effective, Amalgamation of the Transferor Company with the Transferee Company and other connected matters will be accounted for in accordance with the applicable provisions of the Companies Act, 2013, Accounting Standards prescribed under Section 133 of the Companies Act, 2013, and Generally Accepted Accounting Principles.



- 1.2 The Transferee Company shall give effect of the proposed Amalgamation in its books of accounts in accordance with the applicable provisions of the Companies Act, 2013, Accounting Standards prescribed under Section 133 of the Companies Act, 2013, and Generally Accepted Accounting Principles.
- 1.3 Without prejudice to the generality of the aforesaid, following are the salient features of the accounting treatment to be given:
- i. All the assets and liabilities recorded in the books of the Transferor Company shall be transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at the respective carrying values as reflected in the books of the Transferor Company as on the Appointed Date.
 - ii. To the extent, there are any inter-corporate loans, advances, payable/receivable or any other inter-company balances between the Transferor Company and the Transferee Company, the rights and 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. Similarly, any cross holding of shares, as on the Record Date, between the Transferor Company and the Transferee Company, if any, shall stand cancelled.
 - iii. All the reserves of the Transferor Company under different heads shall become the corresponding reserves of the Transferee Company. Similarly, balance in the Profit & Loss Accounts of the Transferor and Transferee Companies will also be clubbed together.
 - iv. Any deficit arising out of Amalgamation (including on account of cancellation of cross holdings or any other inter-company balances) shall be adjusted against reserves and surplus, in that order, in the books of the Transferee Company. Whereas any surplus arising out of Amalgamation (including on account of cancelling of cross holdings or any other inter-company balances) shall be credited to capital reserve.
 - v. Accounting policies of the Transferor Company will be harmonized with that of the Transferee Company following the Amalgamation.
- 1.4 It is, however, clarified that the Board of Directors of the Transferee Company, in consultation with the Statutory Auditors, may account for the present Amalgamation and other Scheme matters in such manner as to comply with the provisions of Section 133 of the Companies Act, 2013, the applicable Accounting Standard(s), Generally Accepted Accounting Principles and other applicable provisions, if any.

Place: LUDHIANA
Date: 23.12.2024

For Anuj Gupta & Associates
Chartered Accountants
FRN: 036392N

Anuj Gupta
Partner
Membership No.: 527632
UDIN: 24527632BKACQX3536

