

To,
The Board of Directors,
Cygnet Industries Limited,
Birla Building, 8th Floor
9/1 R N Mukherjee Road,
Kolkata WB 700001

Independent Auditor's Certificate certifying the proposed accounting treatment contained in the Draft Scheme of Arrangement

We, M/S Neha Bothra & Co., Chartered Accountants, the statutory auditors of Cygnet Industries Limited, (hereinafter referred to as "the Company"/ "Resulting Company"), have examined the proposed accounting treatment as specified in clause 10 with regards to demerger of demerged undertaking of the Draft Scheme of Arrangement between Kesoram Industries Limited ("Demerged Company"), Cygnet Industries Limited ("Resulting Company") and their respective shareholders in terms of the provisions of sections 230 to 232 of the Companies Act, 2013 with reference to its compliance with the applicable Indian Accounting Standards ("Ind AS") notified under the 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 Indian 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 that the accounting treatment contained in the aforesaid scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under and all the applicable Indian Accounting Standards notified by the Central Government under the Companies Act, 2013.

This Certificate is issued at the request of the Cygnet Industries Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 230 to 232 of the Companies Act, 2013 for onward submission to BSE Limited, the National Stock Exchange of India Limited and the Calcutta Stock Exchange Ltd by the Cygnet Industries Limited.

For ease of reference, the Clause 10 of the Draft Scheme relating to the proposed accounting treatment in the books of account of the Company, duly authenticated by the Company's management, is reproduced in Annexure 1 to this Certificate and is initialed by us only for the purposes of identification.

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 Neha Bothra & Co.
Chartered Accountants
Firm Registration No.: 326938E

N. Bothra
Neha Bothra
Partner
Membership Number: 067036
UDINo. 22067036AIVSTC8520



Place: Kolkata
Date: 11th May, 2022

Relevant extract of the Scheme of Arrangement between Kesoram Industries Limited ("Demerged Company") and Cygnet Industries Limited ("Resulting Company") and their Respective Shareholders pursuant to the provisions of Sections 230 and 232 of the Companies Act, 2013

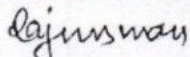
CLAUSE 10 OF PART II**ACCOUNTING TREATMENT**

Upon the effectiveness of this Scheme and with effect from the Appointed Date:

- 10.1 the Resulting Company shall record the transferred assets and liabilities pertaining to the Demerged Undertaking at the values appearing in the books of the Demerged Company, prepared in accordance with the provisions of the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013.
- 10.2 Loans and advances outstanding between the Demerged Company and the Resulting Company relating to the Demerged Undertaking will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 10.3 the Resulting Company shall issue equity shares to the shareholders of the Demerged Company as per Clause 8.1 of this Scheme. These shares shall be issued and recorded at face value and accordingly the aggregate face value of the shares to be issued shall be credited to the Resulting Company's Equity share capital account.
- 10.4 The excess/deficit if any, of the net assets transferred to the Resulting Company pursuant to Clause 10.1 after giving effect to Clause 10.2 and Clause 10.3, shall be transferred to the Capital Reserve of the Resulting Company.

Thanking You,

For Cygnet Industries Ltd
For CYGNET INDUSTRIES LIMITED


(AUTHORISED SIGNATORY)

Raj Kumar Burman
Chief Financial Officer
11th May, 2022
Kolkata



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Kesoram Rayon - Unit of Cygnet Industries Ltd.
(Wholly owned subsidiary of Kesoram Industries Ltd.)
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CIN - U74900WB2015PLC206720

