

Date: 31.07.2023

To,
The Board of Directors,
Chandi Steel Industries Limited,
3, Bentinck Street,
Kolkata- 700001

Re: Scheme of Arrangement involving Amalgamation between Chandi Steel Industries Limited or CSIL (the "Transferee") and Mackeill Ispat & Forging Limited or MIFL (the "Transferor") under Section(s) 230 to 232 and other applicable provisions of The Companies Act, 2013.

Subject: Certificate on compliance of the proposed accounting treatment contained in clause 9 of the Draft Scheme of Amalgamation in terms of the provisions of section(s) 230 to 232 of the Companies Act, 2013 with reference to its compliance with the applicable Accounting Standards notified under the Companies Act, 2013 and Other Generally Accepted Accounting Principles; as specified in Para (A)(5) of Part I of SEBI Master Circular Number SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 (as amended from time to time).

1. This certificate is issued in accordance with the terms of our engagement letter dated July 30, 2023.
2. We, JHS & Associates LLP, Chartered Accountants, being the Statutory Auditors of **Chandi Steel Industries Limited**, (hereinafter referred to as "**the Company**" or "**Transferee Company**"), have examined the proposed accounting treatment specified in clause 9 of Part II of the Draft Scheme of Arrangement, (herein referred to as the "**Draft Scheme**") involving amalgamation between **Mackeill Ispat & Forging Limited** and **Chandi Steel Industries Limited** in terms of the provisions of section(s) 230 to 232 of the Companies Act, 2013 and rules framed thereunder, with reference to its compliance with the applicable Accounting Standards notified under the Companies Act, 2013 and Other Generally Accepted Accounting Principles.

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 as aforesaid, 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 control relevant to the preparation and presentation of the Draft Scheme and applying an appropriate basis of presentation; and making estimates that are reasonable in the circumstances.

Auditor's Responsibility

4. Our responsibility is only to examine and report whether the proposed accounting treatment specified in clause 9 of Part II of the Draft Scheme of Arrangement complies with the applicable Indian Accounting Standards notified under Section 133 of the Act read with the rules made thereunder 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 in our capacity of the statutory auditors of any financial statements of the Company. We have conducted our examination of the proposed accounting treatment specified in clause 9 of Part II of the Draft Scheme of Arrangement as reproduced in Annexure-1 to this certificate in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered



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Accountants of India ("ICAI"). The Guidance Note requires the compliance with the ethical requirements of the Code of Conduct issued by the ICAI.

5. 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. We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India ("ICAI") which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI and in accordance with 'Guidance Note on Reports in Company Prospectuses' (Revised 2019).

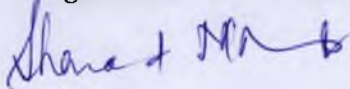
Opinion

6. Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the Clause 9 of Part II of the Draft scheme specified as "Accounting Treatment" is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under and all the applicable Accounting Standards notified by the Central Government under Section 133 of Companies Act, 2013 read with Companies (Accounting Standards) Rules, 2021 and/or other generally accepted accounting principles read with the MCA Circular issued thereunder.
7. The specified proposed accounting treatment contained in the Clause 9 of Part II of the Draft scheme, duly authenticated on behalf of the Company, is reproduced in Annexure 1 to this certificate and is initialed by us only for the purpose of identification.

Restriction on use

8. This Certificate is issued at the request of Chandi Steel Industries Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to **The Bombay Stock Exchange Limited** or "BSE" and **The Calcutta Stock Exchange Limited** or "CSE". 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 presented or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this certificate.

For and on behalf of
JHS & Associates LLP
Chartered Accountants
Firm Registration No.: 133288W/W100099



CA Sharad Mohata
Partner
Membership Number: 055392
UDIN: 2305539286VQUM1014
Certificate Number: JHSKOL/CERT/23-24/0111
Place: Kolkata
Date: 31.07.2023



Annexure 1

**EXTRACT OF CLAUSE 9 OF PART II OF THE DRAFT SCHEME OF AMALGAMATION OF
MACKEIL ISPAT & FORGING LIMITED (“TRANSFEROR COMPANY”) WITH CHANDI
STEEL INDUSTRIES LIMITED (“TRANSFeree COMPANY”) AND THEIR RESPECTIVE
SHAREHOLDERS AND CREDITORS UNDER SECTION(S) 230 TO 232 AND OTHER
APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013**

9. ACCOUNTING TREATMENT

On the Scheme being effective:

- 9.1 The Transferee Company shall record all the assets and liabilities of the Transferor Company transferred and vested in it pursuant to the scheme at fair value, as per Indian Accounting Standard 103 or any other applicable Indian Accounting Standard.
- 9.2 The transferee Company shall account for shares issued The Transferor Company Shareholders as per applicable Indian Accounting Standard.
- 9.3 The difference between the value of Net Assets (“Net Assets” means value of assets over the value of liabilities as per Clause 9.1 pertaining to the Transferor Company and the value of New Shares) shall be recorded as per Indian Accounting Standard 103 or any other applicable Indian Accounting Standard as Capital Reserve or Goodwill, as the case may be.

**For and on behalf of
The Board of Directors
Chandi Steel Industries Limited**

Seema Chowdhury

**Seema Chowdhury
Company Secretary and Compliance Officer
Membership Number: ACS-21224
Place: Kolkata
Date:**

