

Price Waterhouse & Co Chartered Accountants LLP

The Board of Directors
Aditya Birla Fashion and Retail Limited
Piramal Agastya Corporate Park, Building 'A',
4th, and 5th Floor, Unit No. 401, 403, 501, 502,
L.B.S Road, Kurla, Mumbai City- 400070
Maharashtra

Auditor's Certificate on compliance of the proposed accounting treatment in the Proposed Scheme of Amalgamation and the resultant entity's capability of payment of interest/ repayment of principal with SEBI Listing Regulations, Circulars and the applicable accounting standards

- 1) This certificate is issued in accordance with the terms of our agreement dated May 05, 2023.
- 2) We, the statutory auditors of Aditya Birla Fashion and Retail Limited (hereinafter referred to as "the Company" or the "Transferee Company"), have examined:
 - a) the proposed accounting treatment specified in clause 25 to Part IV of the Proposed Scheme of Amalgamation between Aditya Birla Fashion and Retail Limited and TCNS Clothing Co. Limited (Transferor Company) as approved by the Board of Directors of the Company in their meeting held on May 05, 2023 (the "Proposed Scheme"), in terms of the provisions of sections 230 to 232 of the Companies Act, 2013 (the "Act") with reference to its compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"), the Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 issued by SEBI (the "Master Circular"), Chapter XII of the Operational Circular no. SEBI/HO/DDHS/ DDHS_Div1/P/CIR/2022/0000000103 dated July 29, 2022 and amended as on December 1, 2022 (the "Operational Circular"), and the applicable accounting standards specified under Section 133 of the Act (the 'applicable accounting standards') and other generally accepted accounting principles; and
 - b) the underlying Management Declaration in terms of certification requirement under Chapter XII of the Operational Circular.

We have stamped the Proposed Scheme and Management Declaration for identification purpose only.

Management's Responsibility

- 3) The responsibility for the preparation of the Proposed Scheme and its compliance with the Act and SEBI Listing Regulations, the Master Circular, the Operational Circular and Management Declaration in compliance with the Operational Circular ('Management Declaration'), including compliance with the applicable accounting standards and other generally accepted accounting principles as aforesaid, is that of the Board of Directors of the Company.

Auditor's Responsibility

- 4) Pursuant to the requirements of proviso to sub-section (7) of section 230 of the Act read with the Master Circular and the Operational Circular, our responsibility is to examine the Proposed Scheme and certify whether the accounting treatment contained in clause 25 to Part IV of the Proposed Scheme is in compliance with the SEBI Listing Regulations, to the extent applicable and the Master Circular, the Operational Circular and the applicable accounting standards specified under Section 133 of the Act and other generally accepted accounting principles.

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Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP Identity no. LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E300009 (ICAI registration number before conversion was 304026E)



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- 5) In addition to the responsibility as set out in paragraph 4, we are required to comment whether the Transferee Company, which is also the resultant entity, is capable of payment of interest/ repayment of principal in respect of loans / borrowings/ Non-Convertible Debentures set out in the Management Declaration. In respect of certification of this subject matter, our examination is based on the unaudited financial information of the Transferee Company for the nine months ended December 31, 2022 and the other financial information and records.
- 6) We 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. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
- 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.

Conclusion

- 8) Based on our examination and according to the information and explanations given to us:
 - a) pursuant to the requirements of proviso to sub-section (7) of section 230 of the Act read with the Master Circular and the Operational Circular, we confirm that the accounting treatment contained in clause 25 to Part IV of the Proposed Scheme is in compliance with the SEBI Listing Regulations, to the extent applicable, and the Master Circular, the Operational Circular and the applicable accounting standards specified under Section 133 of the Act, and other generally accepted accounting principles; and
 - b) we report that the Transferee Company, which is also the resultant entity, is capable of payment of interest/ repayment of principal in respect of loans / borrowings/ Non-Convertible Debentures set out in the Management Declaration.

Emphasis of Matter

- 9) We draw your attention to Clauses 10 to 14 to Part II of the Proposed Scheme which require all assets and liabilities of the Transferor Company to be transferred and vested with effect from the appointed date and clause 8 (J), read with clauses 31 to 33, of the Proposed Scheme which provide for certain conditions to be fulfilled for the Proposed Scheme to be effective. However, Clause 25 to Part IV of the Proposed Scheme requires accounting treatment to be carried out in accordance with Appendix C to Ind AS 103, *Business Combinations of entities under common control*, i.e., from the beginning of the preceding period in the financial statements of the Transferee Company or from the date when common control was established in respect of the Transferor Company, whichever is later.

Our conclusion is not modified in respect of this matter.



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Restriction on Use

- 10) Our work was performed solely to assist you in meeting the requirements of the Act, the Master Circular and the Operational Circular to enable the Company to file the Proposed Scheme with the Stock Exchanges and the National Company Law Tribunal (NCLT). 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 auditors of the Company or otherwise. 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.
- 11) This Certificate is issued at the request of the Board of Directors of the Company to whom it is addressed, for onward submission to the Stock Exchanges and the NCLT and should not be used for any other purpose. We do not accept or assume any liability or 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 save where expressly agreed by our prior consent in writing.

For **Price Waterhouse & Co Chartered Accountant LLP**
Firm Registration Number: 304026E/ E-300009

ABDUL MAJEED
SHAIKH

Digitally signed by ABDUL
MAJEED SHAIKH
Date: 2023.05.05 23:48:25 +05'30'

Abdul Majeed Shaikh
Partner

Membership No: 203637
UDIN: 23203637BGXOYO6139

Date: May 05, 2023
Place: Bangalore

