

Suresh Surana & Associates LLP
Chartered Accountants

Suresh Surana & Associates LLP

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LLP Registration No. AA8 7525

May 16, 2023

To
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,
LBS Road, Kurla, Mumbai,
Maharashtra 400 070

Independent Auditor's Certificate on the statement of Net Worth Pre and Post Amalgamation

1. We, Suresh Surana & Associates, LLP, Chartered Accountants (Firm Registration No: 121750W/W-100010), have been informed by the Board of Directors of Aditya Birla Fashion & Retail Limited ('the Company') pursuant to their meeting held on May 05, 2023, that the Company has decided to make an open offer to the shareholders of TCNS Clothing Co Ltd ('the Target') pursuant to the Share Purchase Agreement dated May 05, 2023 entered amongst Company, Sellers and Target Company in terms of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2018, ('the SEBI SAST Regulations').
2. We have been requested by the Company to certify the pre-amalgamation net worth as at September 30, 2022 and provisional post-amalgamation net worth of the Company given in the attached statement ('the Statement') pursuant to Scheme of Arrangement between TCNS Clothing Co. Limited and the Company ('the Scheme'), provided to us by the management. This certificate is required by the Company for submission to the Securities and Exchange Board of India, National Stock Exchange, Bombay Stock Exchange and National Company Law Tribunal.

Management's Responsibility

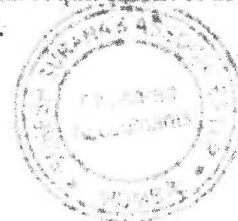
3. The preparation of the Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimate that are reasonable in the circumstances.



4. The Management is also responsible for ensuring that the Company complies with the requirements of the SEBI and the Companies Act 2013, in relation to the proposed scheme for providing all the information to the SEBI and the stock exchanges.

Auditor's Responsibility

5. Pursuant to the requirement of the document, it is our responsibility to provide a reasonable assurance as to whether the amounts in the Statement that form part of the pre-amalgamation net worth computation as at September 30, 2022 has been accurately extracted from the limited review consolidated financial statement for the period ended September 30, 2022 and the computation of net worth is arithmetically correct and whether the computation of provisional post amalgamation net worth is in accordance with the Scheme as stated above.
6. The procedure performed vary in nature and timing from, and are less extent that for, a reasonable assurance and consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained has a reasonable assurance engagement been performed.
7. With regards to the amounts mentioned in the Statement, we have performed the following procedures:
 - a) In respect of the pre-amalgamation net worth, we have traced the amounts mentioned in the Column I of the Statement to the limited review statutory consolidated financial statement for the period ended September 30, 2022 obtained from the management. Verified the computation of net worth as defined the notes to the Statement.
 - b) Obtained the statement of fair value of the consideration to be issued to the shareholders of TCNS Clothing Co. Limited from the management. We have relied on such statement provided by the management and have performed no independent procedure in regards to the same.
 - c) Verified the computation of the provisional post amalgamation net worth in Column (I+II) of the Statement based on the statement referred in (b) above and the Scheme, read with notes as mentioned in the Statement.
 - d) Verified the arithmetical accuracy of the Statement.
 - e) Obtained necessary representation from the management.
8. The limited review consolidated financial statements referred to in paragraph 6 above were not audited by us, but were audited by another firm of Chartered Accountants.
9. We performed the above-mentioned procedures, in accordance with the Guidance Note on Reports or Certificate for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note required that we comply with the ethical requirement of the Code of Ethics issued by the Institute of Chartered Accountants of India.



10. We have complied with the relevant applicable requirements of the Standard of Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Review of Historical Financial Information, and Other Assurance and Related Service Engagements.

Opinion

11. Based on the procedure performed by us as referred in paragraph 7 above and according to the information and explanations given to us and based on the management representations, nothing has come to our attention that causes us to believe that the amounts in the Statements that form part of the pre-amalgamation net worth computation as at September 30, 2022 been not accurately extracted from the limited review consolidated financial statements for the period ending September 30, 2022 and the computation of net worth is not arithmetically correct and provisional post-demerger networth have not been computed by the management in accordance with the Scheme, read with Notes as mentioned in the Statement.

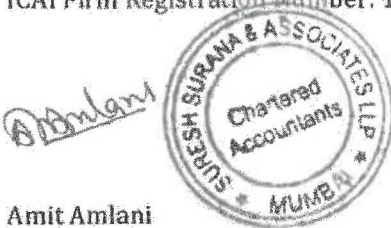
Restrictions on use

12. The certificate has been issued on request of the Company, solely for the purpose set forth in the paragraph 2 of this certificate. It should not be used by any other person or for any other purpose. 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. We have no responsibility to update this report for events and circumstances occurring after the date of this certificate.

For Suresh Surana and Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 121750W/W-100010



Amit Amlani

Partner

Membership Number: 110843

UDIN: 23110843BQVBP K4179

Place: Mumbai

Date: May, 16 2023





Statement to the certificate dated May 16, 2023


Computation of pre-amalgamation net worth and provisional post-amalgamation net worth of Aditya Birla Fashion Retail Limited ("the Company") pursuant to Scheme of Arrangement between TCNS Clothing Co. Limited and the Company ("the Scheme") as at September 30, 2022.

Sr. No.	Particulars	Amount in INR Crores		
		I Pre-amalgamation net worth	II Adjustments Refer Note a and b below	(I + II) Provisional Post-amalgamation net worth
1	Paid up Equity share capital (A)	948.68	57.95	1,006.63
2	Other Equity (B)	2,648.51	253.53	2,902.04
3	Non-controlling interest (C)	3.23		3.23
	Total (A) + (B) + (C)	3,600.42	311.48	3,911.90

Notes:

- The Company has not performed a comprehensive fair valuation exercise for all the assets and liabilities of TCNS Clothing Co. Limited as required under Ind AS 103 – Business Combinations. Accordingly, the provisional post amalgamation net worth determined above will undergo change on the effective date of implementation of the scheme, on account of the profit / loss during the intervening period and accounting of the Scheme as per Ind AS 103 – Business Combinations. Further, any consequent adjustment to the financial statement of the Company subsequent to the amalgamation scheme being implement has not been considered in the computation.
- On Amalgamation of TCNS Clothing Co. Limited, for the balance (49%) 3,16,10,453 shares, the Company will issue 11 fully paid-up equity shares of INR 10 each of the Company, for every 6 fully paid-up equity shares of INR 2 of the TCNS Clothing Co. Limited. This number will be updated when actual shares are issued.
- Net worth has been determined in accordance with Section 2 (57) of the Companies Act, 2013. As per the section, net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the limited review balance sheet, but does not include reserves created out of revaluation of assets, writeback of depreciation and amalgamation.

For Aditya Birla Fashion and Retail Limited


Jagdish Bajaj
Chief Financial Officer
Bangalore
May 16, 2023



ADITYA BIRLA FASHION AND RETAIL LIMITED

Registered Office:

Piramal Agastya Corporate Park, Building 'A', 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S. Road, Kurla, Mumbai - 400 070

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