

MSKA

& Associates

Chartered Accountants

To,
The Board of Directors
Hindustan Foods Limited
Level 2 - Centrium Phoenix Market City,
Lal Bahadur Shastri Road,
Kurla West Mumbai - 400070

Independent Auditor's Certificate on accounting treatment specified under the proposed Composite Scheme of Arrangement and Amalgamation under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013, rules and regulations thereunder, for Demerger of Contract Manufacturing (Coimbatore) Business ('the Demerged Undertaking') of Avalon Cosmetics Private Limited (the 'Demerged Company' or 'ACPL') into Hindustan Foods Limited (the 'Resulting Company' or 'HFL' or 'the Company') and merger of ATC Beverages Private Limited ('the Transferor Company' or 'ABPL') with Hindustan Foods Limited (the 'Transferee Company' or 'HFL' or 'the Company').

We, the statutory auditors of the Company have been requested by the Company having its registered office at Level 2 - Centrium Phoenix Market City, Lal Bahadur Shastri Road, Kurla West Mumbai - 400070 vide letter dated March 11, 2020 to issue a certificate for the proposed accounting treatment specified in Clause 5.2 - Part B & Clause 12 - Part C of Draft Composite Scheme of Arrangement and Amalgamation ('Draft Scheme') for the transfer by way of a demerger of the Contract Manufacturing Business in Coimbatore of ACPL into the Company and for the merger of ABPL with the Company and consequent issue of equity shares by the Company to the shareholders of the Demerged Company and Transferor Company in terms of the provisions of section 230 to 232 of Companies Act, 2013 and other applicable provisions of the Act with reference to its compliance with the applicable Indian Accounting Standards as specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules, 2015 and Other Generally Accepted Accounting Principles in India.

Management's Responsibility

The responsibility for preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Indian Accounting Standard read with the rules issued there under and Other Generally Accepted Accounting Principles in India as aforesaid, is that of the Board of Directors of the Company involved. The responsibility for the preparation of Draft Scheme includes the preparation and maintenance of all accounting and other relevant supporting records and documents.

This responsibility includes design, implementation and maintenance of internal control relevant to the preparation and presentation of the Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in circumstances.

Auditor's Responsibility

Our responsibility is only to examine and report whether accounting treatment referred in Clause 5.2 - Part B & Clause 12 - Part C of the Draft Scheme referred above comply with the applicable Indian Accounting Standards and Other Generally Accepted Accounting Principles in India. 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



statutory auditors of any financial statements of the Company. The Appointed Date for the purpose of this certificate is considered as April 1, 2020.

We carried out our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes" (the 'Guidance Note') 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. Further our examination did not extend to any other parts and aspect of a legal or proprietary nature in aforesaid Scheme.

We have complied with the relevant applicable requirements of the Standard of Quality Control (SQC) 1, Quality Control for firms that Perform Audit and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on our examination and according to the information and explanation given to us, we confirm that the accounting treatment contained in Clause 5.2 - Part B & Clause 12 - Part C of aforesaid Draft Scheme is in compliance with the Indian Accounting Standard (Ind AS) - 103 Business Combination and other applicable Indian Accounting Standards notified by the Central Government under the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015 and Other Generally Accepted Accounting Principles in India.

For ease of reference, Clause 5.2 - Part B & Clause 12 - Part C of aforesaid Draft Scheme, duly authenticated on behalf of the Company, is reproduced in Annexure I to this report and is stamped and initialled by us for the purpose of identification.

Restriction for Use

This Certificate is issued at the request of the Company pursuant to the requirements of circulars issued under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for onward submission to Stock exchange(s) and the National Company Law Tribunal. 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 MSKA & Associates
Chartered Accountants,
Firm Registration No. 105047W

Amrish Vaidya
Membership No. 101739
UDIN: 20101739AAAACL5357



Place: Mumbai
Date: March 16, 2020



HINDUSTAN FOODS LIMITED

A Vanity Case Group Company

Registered Office: Office No.3, Level-2, Centrium, Phoenix Market City,
15, Lal Bahadur Shastri Road, Kurla (West), Mumbai, Maharashtra, India. 400 070.

Email: business@thevanitycase.com Website: www.hindustanfoodslimited.com

Tel. No. +91-22-61801700 / 01 CIN: L15139MH1984PLC316003

ANNEXURE I

**CERTIFIED COPY OF THE EXTRACT OF THE RELEVANT CLAUSE OF THE DRAFT
COMPOSITE SCHEME OF ARRANGEMENT AND AMALMAGATION BETWEEN
AVALON COSMETICS PRIVATE LIMITED ('THE DEMERGED COMPANY' OR 'ACPL')
AND
ATC BEVERAGES PRIVATE LIMITED ('THE TRANSFEOR COMPANY' OR 'ABPL')
AND
HINDUSTAN FOODS LIMITED ('THE TRANSFEREE COMPANY' OR 'THE RESULTING
COMPANY' OR 'HFL')
AND
THEIR RESPECTIVE SHAREHOLDERS**

**Proposed accounting treatment in respect of Scheme of Arrangement between ACPL and HFL
(Clause 5.2 – Part B)**

5.2. In the books of the Resulting Company

Notwithstanding anything to the contrary, upon the coming into effect of this Scheme and with effect from the Appointed Date, HFL shall account for, the Demerged Undertaking in its books of accounts in accordance with "Appendix C" of the "Indian Accounting Standard (Ind-AS) -103-Business Combination" and other applicable Ind-AS prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles as applicable.



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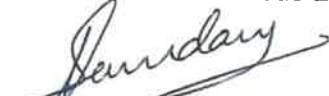


Proposed accounting treatment in respect of Scheme of Amalgamation between ABPL and HFL (Clause 12 – Part C)

12. Accounting Treatment in the books of Transferee Company

Notwithstanding anything to the contrary, upon the coming into effect of this Scheme and with effect from the Appointed Date, HFL shall give effect to the accounting treatment in its books of accounts in accordance with "Indian Accounting Standard (Ind-AS) -103 – Business Combination" and other applicable Ind-AS prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles as applicable to HFL.

For Hindustan Foods Limited


Mayank Samdani
Chief Financial Officer


Bankim Purohit
Company Secretary



To,
 The Board of Directors
Avalon Cosmetics Private Limited
 Unit No 03, Level 02, Centrium,
 Phoenix Market City, Kurla,
 Mumbai 400070

Auditor's Certificate

1. We, S K H D & Associates, Chartered Accountants, the Statutory Auditors of **Avalon Cosmetics Private Limited**, (hereinafter referred to as 'the Demerged Company'), have examined the proposed accounting treatment specified in Clause 5 of the Draft Composite Scheme of Arrangement and Amalgamation ('Scheme') for the transfer by way of a demerger of the Contract Manufacturing (Coimbatore)Business ('Demerged Undertaking') of the Demerged Company to **Hindustan Foods Limited** (hereinafter referred to as 'the Resulting Company or 'the Transferee Company') and consequent issue of Equity Shares by the Resulting Company to the shareholders of the Demerged Company ('Demerger') and consequent issue of Equity Shares by the Transferee Company to the shareholders of the Transferor Company ('Amalgamation') in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act with reference to its compliance with the applicable Indian Accounting Standards as specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules, 2015 and Other Generally Accepted Accounting Principles.

Further, as per the proposed accounting treatment, the date from which the Scheme is effected in the books of accounts of the Resulting Company may be different from the acquisition date as per the Standard i.e. the date on which control has been actually transferred. However, in case the National Company Law Tribunal (NCLT) approves the scheme with the proposed appointed date, the appointed date as approved by the NCLT under the scheme will be the acquisition date as per the Standard.

Management's Responsibility

2. 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.

Auditor's Responsibility

3. Our responsibility is only to examine and report whether the Draft Scheme complies with the applicable Indian 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.



4. 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. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Scheme.

Conclusion

5. Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid draft Scheme is in compliance with the applicable Indian Accounting Standards notified by the Central Government under the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules 2015 and other Generally Accepted Accounting Principles in India.

Restriction of Use

This Certificate is issued at the request of the Company solely for the purpose specified in para 1 and submission to NCLT in accordance with Section 230 to Section 232 of the Companies Act 2013, and 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 report is shown or into whose hands it may come without our prior written consent.

For S K H D & Associates,
Chartered Accountants,
Firm Registration No. 105929 W

H.M. Solanki

Hemanshu Solanki
Partner

Membership No. 132835
UDIN: 20132835AAAAAY6719

Place: Mumbai
Date: 13th March, 2020

