

To,  
The Board of Directors  
Hindustan Foods Limited  
Dempo House,  
Campal, Panaji,  
Goa 403 001

**Independent Auditor's Certificate on accounting treatment stipulated under the proposed Scheme of Arrangement between Avalon Cosmetics Private Limited ('the Demerged Company' or 'ACPL') and Hindustan Foods Limited ('Company' or 'HFL') and their respective shareholders.**

We, the statutory auditors of the Company have been requested by the Company having its registered office at Dempo House, Campal, Panaji, Goa 403001 vide letter dated May 21, 2018 to issue a certificate for the proposed accounting treatment specified in Clause 5.2 of the Draft Scheme of Arrangement ('Scheme') for the transfer by way of a demerger of the Contract Manufacturing (Hyderabad) Business ('Demerged Undertaking') of Avalon Cosmetics Private Limited ('Demerged Company') to the Company (also referred to as 'the Resulting Company') and consequent issue of equity shares by the Company to the shareholders of the Demerged Company ('Demerger') 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 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**

The responsibility for the preparation of the 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 Company involved.



### Auditor's Responsibility

Our responsibility is only to examine and report whether the 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.

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.

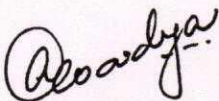
### Opinion

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the Clause 5.2 of the aforesaid draft 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 read with the Companies (Indian Accounting Standards) Rules 2015 and other Generally Accepted Accounting Principles in India.

### Restriction for Use

This Certificate is issued at the request of the Company pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to BSE Limited and the NCLT. This Certificate should not be used for any other purpose without our prior written consent.

For MSKA & Associates  
Chartered Accountants,  
Firm Registration No. 105047W



Amrish Vaidya  
Membership No. 101739



Place: Mumbai  
Date: May 23, 2018

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, **SMMP & 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 5.1 of the Draft Scheme of Arrangement ('Scheme') for the transfer by way of a demerger of the Contract Manufacturing (Hyderabad) Business ('Demerged Undertaking') of the Demerged Company to the **Hindustan Foods Limited** ('the Resulting Company') and consequent issue of Equity Shares by the Resulting Company to the shareholders of the Demerged Company in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 ('the Act') 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 Act 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.

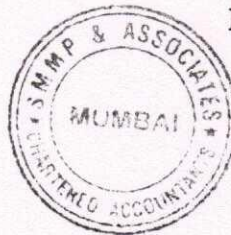
Conclusion

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 Act 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 Demerged Company solely for the purpose specified in para 1 and submission to NCLT in accordance with Section 230 to section 232 of the Act 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.

Place: Mumbai  
Date: 23<sup>rd</sup> May 2018



For S M M P & Associates,  
Chartered Accountants,  
Firm Registration No. 120438W

*Sonal Parekh*  
Sonal Parekh  
Partner

Membership No. 139852