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KALYANIWALLA & MISTRY LLP

C H A R T E R E D A C C O U N T A N T S

The Board of Directors,
The Bombay Dyeing and Manufacturing Company Limited
Neville House, J. N. Heredia Marg,
Ballard Estate, Mumbai - 400001.

Independent Auditors' Certificate for the proposed accounting treatment in the books of the Resulting Company contained in the Scheme of Arrangement

1. This certificate is issued in accordance with the terms of our engagement letter dated 1st August, 2018. 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.
2. We, **KALYANIWALLA & MISTRY LLP**, Chartered Accountants, the statutory auditors of The Bombay Dyeing And Manufacturing Company Limited ("the Company or the Resulting Company"), have examined the proposed accounting treatment in the books of the Resulting Company, as specified in clause 7.2 under Part II with regard to the demerger of the Real Estate Business Undertaking of Scal Services Limited ("the Demerged Company") as specified in the Proposed Scheme of Arrangement ("the Scheme) between the Demerged Company and the Resulting Company and their respective shareholders in terms of the provisions of Sections 230 to 232 read with the applicable provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations ("the SEBI LODR"), 2015 and circulars issued thereunder, with reference to its compliance with the applicable Indian Accounting Standards (Ind AS) (Specifically Ind AS 103 on "Business Combinations") notified under Section 133 of the Companies Act, 2013, ("applicable Accounting Standards"), read with rules made thereunder and other Generally Accepted Accounting Principles.

Management's Responsibility

3. The responsibility for the preparation of the Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards read with the rules made thereunder 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 the internal controls relevant to the preparation and presentation of the Scheme and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances. The responsibility for giving effect to the accounting treatment in the books of the Resulting Company for the demerger



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as specified in Clause 7.2 under Part II of the Scheme is that of the Board of Directors of the Resulting Company.

Auditor's Responsibility

4. Pursuant to the requirements of the Act, our responsibility is only to examine and report whether the proposed accounting treatment in the books of the Resulting Company referred to Clause 7.2 under Part II of the Scheme referred to above comply with the applicable Indian Accounting Standards (specifically Ind As 103 on "Business Combinations") as
5. specified under section 133 of the Act 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.
6. We conducted our examination in accordance with the Guidance Note on "Reports or Certificates for Special Purposes (Revised 2016)", issued by the Institute of Chartered Accountants of India ("the ICAI"), in so far as applicable for the purpose of this certificate. The Guidance note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
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 Service Engagements". Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Scheme.

Opinion

8. Based on our examination as above and according to the information and explanations and representations given to us by the Company's management, we are of the opinion that the resultant accounting effects in the books of the Resulting Company contained in Clause 7.2 under Part II of the aforesaid Scheme, if approved by the National Company Law Tribunal, Mumbai will be in compliance with the SEBI LODR and the circulars issued thereunder and with the applicable Indian Accounting Standards, specifically Ind AS 103 "Business Combinations", notified under Section 133 of the Act, read with the rules made thereunder, and Other Generally Accepted Accounting Principles.
9. For ease of reference, Part II- Clause 7.2 under the Scheme in respect of the accounting treatment in the books of the Resulting Company, duly authenticated on behalf of the



Company, is reproduced as an Annexure to this Certificate and is initialed by us only for the purpose of identification.

Restrictions on Use

10. This Certificate is issued at the request of the Company pursuant to the requirements of circulars issued under the SEBI LODR for onward submission to the BSE Limited and the National Stock Exchange of India Limited and other regulatory authorities involved in connection of the Scheme. Our Certificate should not be used for any other purpose or by any other person other than addressee of this Certificate without our prior written consent. Accordingly, we do not accept or assume any liability or responsibility 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 KALYANIWALLA & MISTRY LLP

Chartered Accountants

Firm Registration No. 104607W/W100166


Anil A. Kulkarni

Partner

Membership No. 047576

Mumbai

August 1, 2018



Annexure (to certificate dated 1 August 2018)

Relevant Extract of the proposed Scheme of Arrangement between Scal Services Limited and The Bombay Dyeing and Manufacturing Company Ltd and their respective shareholders ("Scheme")

7.2 In the books of the Resulting Company:


Recording the transfer of assets and liabilities on demerger:

Pursuant to the Scheme coming into effect, with effect from the Appointed Date, the Resulting Company shall account for the demerger, in its books of accounts such that:

- 7.2.1 The Resulting Company shall initially record the assets and liabilities of the Demerged Undertaking, transferred to and vested in it pursuant to this Scheme, at their respective book values as appearing in the books of account of the Demerged Company immediately before the demerger in accordance with the provisions of section 2(19AA) of the Income Tax Act;
- 7.2.2 The Resulting Company shall credit its share capital account with the face value of New Preference Shares issued in accordance with Clause 6.1.
- 7.2.3 The surplus / deficit between the value of Net Assets ("Net Assets" means excess of value of assets over the value of liabilities as per Clause 7.2.1) pertaining to the Demerged Undertaking and the amount of New Preference Shares issued under Clause 6.1 above shall be credited to capital reserve / debited to goodwill as the case may be.
- 7.2.4 Having recorded the transfer of the assets and the liabilities as aforesaid, the Resulting Company shall make necessary adjustments such that all the assets and liabilities acquired (including assets and liabilities not specifically recognized by the Demerged company in its financial statements), as well as shares issued and the resultant goodwill/ capital reserve arising on demerger are reflected at their acquisition date fair values as required for compliance with the mandatory Indian Accounting Standards, specifically, Ind AS 103 'Business Combinations', notified under Section 133 of the Act, read with the rules made there under and other Generally Accepted Accounting Principles. Further, acquisition related costs will also be accounted in accordance with the requirements of Ind AS 103 'Business Combinations'.



For THE BOMBAY DYEING & MFG. CO. LTD.


Authorised Signatory



K.S. THAR & CO.
Chartered Accountants

81, Mahendra Chambers,
2nd Floor,
Dr. D. N. Road,
Fort, Mumbai 400 001

Proprietor:
KRISHNA S. THAR

To,
The Board of Directors,
Scal Services Limited
Raheja Point I, Wing 'A',
Pt. Jawaharlal Nehru Road,
Vakola, Santacruz (E),
Mumbai, Maharashtra - 400055.

We, K. S. Thar & Co , Chartered Accountants, the statutory auditors of Scal Services Limited("the Company"), have examined the proposed accounting treatment specified in clause 7.1 of the Draft Scheme of Arrangement between Scal Services Limited ("Demerged Company") and The Bombay Dyeing and Manufacturing Company Limited ("the Resulting Company") and their respective Shareholders ("the draft Scheme") in terms of the provisions of Sections 230 to 232 read with the applicable provisions of the Companies Act, 2013 and/or the Companies Act, 1956, with reference to its compliance with the applicable Accounting Standards notified by the Central Government under Section 133 of the Companies Act 2013, read with rules made there under and other generally accepted accounting principles, as applicable.

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, is that of the Board of Directors of the Companies involved.

Our responsibility is only to examine and report whether the accounting treatment prescribed in the Draft Scheme complies with the applicable 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.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the clause 7.1 of the aforesaid Scheme is in compliance with the Accounting Standards notified by the Central Government under section 133 of the Companies Act, 2013 read with the rules made there under and other generally accepted accounting principles, as applicable.

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

For K. S. Thar & Co.

Chartered Accountants

(Firm Registration No. 110959W)



Krishna S. Thar

Proprietor

(Membership No. 35199)

Mumbai, August 1, 2018

