

Certificate on Pre Demerger and indicative Post Demerger Net Worth

The Board of Directors
 HSIL Limited
 2, Red Cross Place,
 Kolkata 700 001,
 West Bengal, India

1. This Certificate is issued in accordance with the terms of engagement vide letter dated 10th November, 2017 with, HSIL Limited (hereinafter "**the Company**").
2. At the request of the Company, we have examined the accompanying statement of computation of pre demerger and indicative post demerger Net Worth of the Company as at March 31, 2017 (hereinafter referred together as "**the Statement**"), which we have initialed for identification purposes only, in connection with the proposed composite scheme of arrangement proposed amongst the Company, Somany Home Innovation Limited, Brilloca Limited and their respective shareholders and creditors, in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 read with Section 66 and other applicable provisions of the Companies Act, 2013 ("**Draft Scheme**"). The Statement is required in connection with the requirements of the stock exchanges for the onward submission of the Draft Scheme proposed to be filed under Sections 230-232 and other applicable provisions of the Companies Act, 2013.
3. The Draft Scheme provides for the demerger of the Consumer Products Distribution and Marketing Undertaking or CPDM Undertaking (as more particularly described in the Draft Scheme) and the Retail Undertaking (as more particularly described in the Draft Scheme) of the Company to Somany Home Innovation Limited and demerger of the Building Products Manufacturing Undertaking or the BPDM Undertaking of the Company (as more particularly described in the Scheme) to Brilloca Limited, each with effect from the Appointed Date, i.e., April 1, 2018, in accordance with the terms and conditions as stated in the Draft Scheme. The CPDM Undertaking, Retail Undertaking and BPDM Undertaking of the Company shall be collectively referred to as the "**Demerged Undertakings**". The assets, businesses and liabilities of the Company, other than the Demerged Undertakings, shall be referred to as the "**Remaining Undertaking**".
4. We report that, given that the Appointed Date is defined in the Draft Scheme to mean "April 1, 2018 or such other date as the Hon'ble Tribunal may direct", we are not in a position to quantify the indicative pre demerger and indicative post demerger net worth of the Company as on the Appointed Date and accordingly do not report on the same. However, for the purposes of this Certificate, we have considered the figures of book values of assets and liabilities as per the audited (audited by preceding auditor in respect of which management of the company have made available unqualified audit report) financial statements as at March 31, 2017 of the Company, in relation to Demerged Undertakings and Remaining Undertaking, which are as represented to us by the management of the Company, to arrive at the combined net-worth as per the book value, pre demerger and post demerger.
5. For this purpose we have carried out arithmetical accuracy only and above data/information are based on certain assumptions/assessment/ estimation as considered necessary by the management

Management's Responsibility for the Statement

6. 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 estimates that are reasonable in the circumstances.
7. The management is also responsible for ensuring that the Company complies with the

For HSIL LIMITED

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 Company Secretary

Kolkata Mumbai New Delhi Chennai Hyderabad Jaipur



requirements of the applicable SEBI Circulars and the Companies Act, 2013, in relation to the Scheme and for providing all the information to SEBI and the Stock Exchanges.

Auditor's Responsibility

8. Our responsibility to provide a reasonable assurance whether:
 - (a) the amounts in the Statement that form part of the pre demerger and indicative post demerger Net Worth computation, as at March 31, 2017, have been accurately extracted from the audited financial statements of the Company as at, and for the year ended, March 31, 2017 (as mentioned in Paragraph 2 above) and the computation of net worth is arithmetically correct; and
 - (b) the computation of net worth is in accordance with the method of computation set out in Section 2(57) of the Companies Act, 2013, except that, pending approval of the Scheme, the Company has considered the book values of the Company as per its audited financial statements as at March 31, 2017 in arriving at the indicative post demerger net worth of the Company.
9. The audited financial statements as at, and for the year ended, March 31, 2017 of the Company, referred to in Paragraph 2 above, have not been audited by us. We have relied upon the audited financial statements, for the year ended March 31, 2017, as audited by the previous statutory auditors of the Company. We have only carried upon the procedures as decided in our terms of engagement on the audited financial statements for year ended March 31, 2017.
10. We conducted our examination of the Statement in accordance with the revised Guidance Note on Reports or Certificates for Special Purposes (Revised) 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.
11. 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.
12. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting criteria mention in Paragraph 8 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the Reporting Criteria. We have performed the following procedures in relation to the Statement:
 - (a) Traced and agreed the account balances (Equity Share Capital, Other Equity) used in the computation of the pre demerger net worth in the attached Statement, to the audited financial statement of Company as at and for the year ended March 31, 2017 prepared under Indian Accounting Standards (IND AS), which has been audited by another firm of Chartered Accountants.
 - (b) Traced and agreed the amounts for the indicative post demerger net worth in attached Statement, to the audited financial statements of the Company, in relation to the Demerged Undertakings and the Remaining Undertaking, as at and for the year ended March 31, 2017 prepared under ind AS, which has been audited by another firm of Chartered Accountants. We have solely relied on the book values as per the financial statements audited by another firm of Chartered Accountants, and not performed any procedures for determining completeness and appropriateness of book values extracted in the statement of indicative post demerger net worth, relating to the Company.
 - (c) Read the certified copy of the Scheme, as approved by the Board of Directors of the Company, at its meeting held on 10th November, 2017.
 - (d) Have obtained management representation from the Company, including relating to the book values of certain assets, which as represented to us by the management of the



Company, and are not proposed to be demerged in Somany Home Innovation Limited and Brilloca Limited. In this regard, we have solely relied on management representation of the Company and have not performed any additional procedures.

- (e) Tested the arithmetical and clerical accuracy of the Statement.
- (f) The pre demerger and indicative post demerger net worth of the Company has been arrived at on the basis of balances in the books of the Company as on March 31, 2017 and will undergo changes on the effective date of implementation of the Scheme on account of profit / (loss) during the intervening period (From April 1, 2017 to the effective date) and the accounting of the Scheme as per Ind AS 103 - Business Combinations, including determination of fair values of the assets and liabilities of the Company as on the effective date, and issue of equity shares by the Company to the shareholders of the Transferor Company in the approved equity shares swap ratio


Opinion

13. Based on our examination, as above, and the information and explanations given to us and read with the matter stated in Paragraphs 11(d) and 11 (f) above, we are of the opinion that the amounts that form part of the computation of the pre demerger net worth as at March 31, 2017 of Rs. 1134.02 crore and indicative post-demerger net worth as at March 31, 2017 of Rs. 894.70 crore, as per the Statement prepared by the management, have been accurately extracted from the respective audited financial statements of the Company for the year ended March 31, 2017; and that the computation of indicative net worth in the Statement is mathematically accurate and is in all material respects, in accordance with the method of computation set out in Section 2(57) of the Companies Act, 2013.

Restriction on Use

14. This certificate is issued at the request of the Company for onward submission to the BSE Limited and the National Stock Exchange of India Limited and any other regulatory authority as required under applicable law. This certificate should not be used for any other purpose without our prior written consent.

For **LODHA & CO**
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 301051E


(GAURAV LODHA)
PARTNER
MEMBERSHIP NO. 507462



PLACE : New Delhi
DATE : 10th November 2017

Statement of computation of pre-demerger and post-demerger Net worth of Companies involved in the Scheme

(a) Pre demerger and post demerger net worth of HSIL Limited ("Company")

Particulars		Rs. Crore	
		Pre Demerger	Post Demerger
Equity Share Capital	A	14.46	14.46
Other Equity (Excluding Revaluation Reserves)			
Security Premium		454.98	342.70
Capital Reserve		0.81	0.81
Capital Redemption Reserve		0.15	0.15
General Reserve*		149.04	148.98
Other Comprehensive Income		(0.29)	(0.22)
Surplus in Profit & Loss A/c		514.87	387.82
Total Free Reserves excluding Revaluation Reserve	B	1,119.56	880.24
Less:			
Miscellaneous Expenditure	C	-	-
Deferred Revenue Expenditure not written off	D	-	-
Net-worth	A+B-C-D	1,134.02	894.70

*General Reserve (Post Demerger) includes reserves of Rs. 36.72 crore, arising due to demerger which shall be considered for net worth calculation for regulatory purposes.



HSIL Limited

(An ISO 9001 14001 OHSAS 18001 Certified Company)
CIN : L51433WB1960PLC024539

Registered Office:

2, Red Cross Place,
Kolkata, West Bengal - 700 001 India.
T +91-33-2248 7406 / 07, Fax: +91-33-2248 7045

Corporate Office:

301-302, IIIrd Floor Park Centra, Sector-30, NH-8, Gurgaon - 122 001 India,
T+91-124-477 9200, Fax +91-124-429 2898 / 99

www.hindwarehomes.com

HSIL




hindware

Notes:

1. The net worth of the Company has been arrived at on the basis of balances in the audited financial statements of the Company, as on March 31, 2017. The pre demerger and post demerger net worth are considered 'indicative' as the Appointed Date is defined in the Scheme to mean "April 1, 2018 or such other date as the Hon'ble National Company Law Tribunal may direct" and it would not be possible for the management to appropriately quantify the figures for the prospective date. Further, these figures will undergo changes on the effective date of implementation of the Scheme. Hence the management has considered the book values of the assets and liabilities of the Company as per its audited financial statements as on March 31, 2017 to compute the pre demerger and indicative post demerger net worth above.
2. The figures stated above have been arrived at based on the figures extracted by the management from the audited financial statements of the Company as at March 31, 2017 and are based on certain assumptions/assessments/ estimation as considered necessary by the management.
3. "Net worth" for the above computation purposes, as per Section 2(57) of the Companies Act, 2013 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 audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

For HSIL Limited


Authorized Signatory



HSIL Limited

(An ISO 9001 14001 OHSAS 18001 Certified Company)
CIN : LS1433WB1960PLC024539

Registered Office:

2, Red Cross Place,
Kolkata, West Bengal - 700 001 India.
T +91-33-2248 7406 / 07, Fax : +91-33-2248 7045

Corporate Office:

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T+91-124-477 9200, Fax +91-124-429 2898 / 99

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HSIL



Certificate on Pre Demerger and indicative Post Demerger Net Worth

The Board of Directors
Somany Home Innovation Limited
2, Red Cross Place,
Kolkata 700 001,
West Bengal, India

1. This Certificate is issued in accordance with the terms of engagement vide letter dated 10th November, 2017 with Somany Home Innovation Limited (hereinafter "**the Company**").
2. At the request of the Company, we have examined the accompanying statement of computation of pre demerger and indicative post demerger Net Worth of the Company as at March 31, 2017 (hereinafter referred together as "**the Statement**"), which we have initialed for identification purposes only, in connection with the proposed composite scheme of arrangement proposed amongst the HSIL Limited, the Company, Brilloca Limited and their respective shareholders and creditors, in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 read with Section 66 and other applicable provisions of the Companies Act, 2013 ("**Draft Scheme**"). The Statement is required in connection with the requirements of the stock exchanges for the onward submission of the Draft Scheme proposed to be filed under Sections 230-232 and other applicable provisions of the Companies Act, 2013.
3. The Draft Scheme provides for the demerger of the Consumer Products Distribution and Marketing Undertaking or CPDM Undertaking (as more particularly described in the Draft Scheme) and the Retail Undertaking (as more particularly described in the Draft Scheme) of HSIL Limited to the Company and demerger of the Building Products Manufacturing Undertaking or the BPDM Undertaking of the HSIL Limited (as more particularly described in the Draft Scheme) to Brilloca Limited, each with effect from the Appointed Date, i.e., April 1, 2018, in accordance with the terms and conditions as stated in the Draft Scheme. The CPDM Undertaking, Retail Undertaking and BPDM Undertaking of the HSIL Limited shall be collectively referred to as the "**Demerged Undertakings**". The assets, businesses and liabilities of the HSIL Limited, other than the Demerged Undertakings, shall be referred to as the "**Remaining Undertaking**".
4. We report that, given that the Appointed Date is defined in the Draft Scheme to mean "April 1, 2018 or such other date as the Hon'ble Tribunal may direct", we are not in a position to quantify the pre demerger and indicative post demerger net worth of the Company as on the Appointed Date and accordingly do not report on the same. However, for the purposes of this Certificate, we have considered the figures of book values of assets and liabilities as per the audited (audited by preceding auditor in respect of which management of the company have made available unqualified audit report) financial statements as at March 31, 2017 of HSIL Limited, in relation to Demerged Undertakings and Remaining Undertaking, which are as represented to us by the management of the Company and HSIL Limited, to arrive at the combined net-worth as per the book value, pre demerger and post demerger.
5. For this purpose we have carried out arithmetical accuracy only and above data/information are based on certain assumptions/assessment/estimation as considered necessary by the management.

Management's Responsibility for the Statement

6. 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 estimates that are reasonable in the circumstances.
7. The management is also responsible for ensuring that the Company complies with the



requirements of the applicable SEBI Circulars and the Companies Act, 2013, in relation to the Scheme and for providing all the information to SEBI and the Stock Exchanges.

Auditor's Responsibility

8. Our responsibility to provide a reasonable assurance whether:
 - (a) the amounts in the Statement that form part of the pre demerger and indicative post demerger Net Worth computation, as at March 31, 2017, have been accurately extracted from the audited financial statements of HSIL Limited as at, and for the year ended, March 31, 2017 (as mentioned in Paragraph 2 above) and management certified Financial Statements of Company as on September 28th 2017 and the computation of net worth is arithmetically correct; and
 - (b) the computation of net worth is in accordance with the method of computation set out in Section 2(57) of the Companies Act, 2013, except that, pending approval of the Scheme, the Company has considered the book values of the CPDM Undertaking and Retail Undertaking of HSIL Limited as per its audited financial statements as at March 31, 2017 in arriving at the indicative post demerger net worth of the Company.
9. The audited financial statements as at, and for the year ended, March 31, 2017 of the HSIL Limited, referred to in Paragraph 8 above, have not been audited by us. We have relied upon the audited financial statements, for the year ended March 31, 2017, as audited by the previous statutory auditors of the HSIL Limited. We have only carried upon the procedures as decided in our terms of engagement on the audited financial statements for year ended March 31, 2017.
10. We conducted our examination of the Statement in accordance with the revised Guidance Note on Reports or Certificates for Special Purposes (Revised) 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.
11. 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.
12. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting criteria mention in Paragraph 8 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the Reporting Criteria. We have performed the following procedures in relation to the Statement:
 - (a) Traced and agreed the account balances (Equity Share Capital, Other Equity) used in the computation of the pre demerger net worth in the attached Statement, to the management certified financial statement of the Company as at 28th September 2017 prepared under Indian Accounting Standards (IND AS), which has been not been audited by us .
 - (b) Traced and agreed the amounts for the indicative post demerger net worth in attached Statement, to the audited financial statements of HSIL Limited, in relation to the Demerged Undertakings and the Remaining Undertaking, as at and for the year ended March 31, 2017 prepared under Ind AS, which has been audited by another firm of Chartered Accountants. We have solely relied on the book values as per the financial statements audited by another firm of Chartered Accountants, and not performed any procedures for determining completeness and appropriateness of book values extracted in the statement of indicative post demerger net worth, relating to the Company.
 - (c) Read the certified copy of the Draft Scheme, as approved by the Board of Directors of the Company, at its meeting held on 10th November, 2017.
 - (d) Have obtained management representation from the Company, including relating to the book values of certain assets, which as represented to us by the management of the Company, and are not proposed to be demerged in Brillocca Limited and which are



remaining in HSIL Limited. In this regard, we have solely relied on management representation of the Company and have not performed any additional procedures.

- (e) Tested the arithmetical and clerical accuracy of the Statement.
- (f) The pre demerger and indicative post demerger net worth of the Company has been arrived at on the basis of balances in the books of the HSIL Limited as on March 31, 2017 and the books of Company and will undergo changes on the effective date of implementation of the Draft Scheme on account of profit / (loss) during the intervening period (From April 1, 2017 to the effective date) and the accounting of the Draft Scheme as per Ind AS 103 - Business Combinations, including determination of fair values of the assets and liabilities of the Company as on the effective date. and issue of equity shares by the Company to the shareholders of the HSIL Limited in the approved equity shares swap ratio

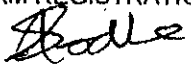
Opinion

- 13. Based on our examination, as above, and the information and explanations given to us and read with the matter stated in Paragraphs 11(d) and 11 (f) above, we are of the opinion that the amounts that form part of the computation of the pre demerger net worth as at September 28th 2017 of Rs. 0.10 crore and indicative post-demerger net worth as at March 31, 2017 of Rs. 85.06 crore, as per the Statement prepared by the management, have been accurately extracted from the respective audited financial statements of the HSIL Limited for the year ended March 31, 2017 and management certified Financial Statements of the Company; and that the computation of indicative net worth in the Statement is mathematically accurate and is in all material respects, in accordance with the method of computation set out in Section 2(57) of the Companies Act, 2013.

Restriction on Use

- 14. This certificate is issued at the request of the Company for onward submission to the BSE Limited and the National Stock Exchange of India Limited and any other regulatory authority as required under applicable law. This certificate should not be used for any other purpose without our prior written consent.

For LODHA & CO
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 301051E


(GAURAV LODHA)
PARTNER
MEMBERSHIP NO. 507462



PLACE : NEW DELHI
DATE : 10th November 2017

SOMANY HOME INNOVATION LIMITED

Registered Office: 2, RED CROSS PLACE, KOLKATA – 700001

CIN: U74999WB2017PLC222970

T- +91-33-2248 7407/5668

Email: ngoenka@hindware.co.in


Pre demerger and post demerger net worth of Somany Home Innovation Limited
("Resulting Company 1")

Particulars		Rs. Crore	
		Pre Demerger	Post Demerger
Equity Share Capital	A	0.10	14.46
Other Equity (Excluding Revaluation Reserves)			
Security Premium		-	12.45
General Reserve		-	13.06
Other Comprehensive Income		-	(0.03)
Surplus in Profit & Loss A/c		-	45.12
Total Free Reserves excluding Revaluation Reserve	B	-	70.60
Less:			
Miscellaneous Expenditure	C	-	-
Deferred Revenue Expenditure not written off	D	-	-
Net-worth	A+B-C-D	0.10	85.06

Notes:

1. As Resulting Company 1 has been incorporated on September 28, 2017, audited financial statements for Resulting Company 1 are not available and the pre demerger net worth figures stated above represent the paid-up share capital of Resulting Company 1 at incorporation. Further, the post demerger net worth figures of Resulting Company 1 have been calculated using the net worth of the CPDM Undertaking and Retail Undertaking of HSIL Limited, as per the book values in the audited financial statements of HSIL Limited, as on 31 March 2017.
2. The pre demerger and post demerger net worth are considered 'indicative' as the Appointed Date is defined in the Scheme to mean "April 1, 2018 or such other date as the Hon'ble Tribunal may direct" and it would not be possible for the management to appropriately quantify the figures for the prospective date. Further, these figures will undergo changes on the effective date of implementation of the Scheme. Hence the management has considered the book values of the assets and liabilities of the Company as per its audited financial statements as on March 31, 2017 and are based on certain assumptions/assessments/ estimation as considered necessary by the management to compute the indicative post demerger net worth above.

For Somany Home Innovation Limited


Authorised Signatory



Certificate on Pre Demerger and indicative Post Demerger Net Worth

The Board of Directors
Brilloca Limited
2, Red Cross Place,
Kolkata 700 001,
West Bengal, India

1. This Certificate is issued in accordance with the terms of engagement vide letter dated 10th November, 2017 with, Brilloca Limited (hereinafter "**the Company**").
2. At the request of the Company, we have examined the accompanying statement of computation of pre demerger and indicative post demerger Net Worth of the Company as at March 31, 2017 (hereinafter referred together as "**the Statement**"), which we have initialed for identification purposes only, in connection with the proposed composite scheme of arrangement proposed amongst the HSIL Limited, Somany Home Innovation Limited, the Company and their respective shareholders and creditors, in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 read with Section 66 and other applicable provisions of the Companies Act, 2013 ("**Draft Scheme**"). The Statement is required in connection with the requirements of the stock exchanges for the onward submission of the Draft Scheme proposed to be filed under Sections 230-232 and other applicable provisions of the Companies Act, 2013.
3. The Draft Scheme provides for the demerger of the Consumer Products Distribution and Marketing Undertaking or CPDM Undertaking (as more particularly described in the Draft Scheme) and the Retail Undertaking (as more particularly described in the Draft Scheme) of the HSIL Limited to Somany Home Innovation Limited and demerger of the Building Products Manufacturing Undertaking or the BPDM Undertaking of the HSIL Limited (as more particularly described in the Scheme) to the Company, each with effect from the Appointed Date, i.e., April 1, 2018, in accordance with the terms and conditions as stated in the Draft Scheme. The CPDM Undertaking, Retail Undertaking and BPDM Undertaking of the HSIL Limited shall be collectively referred to as the "**Demerged Undertakings**". The assets, businesses and liabilities of the HSIL Limited, other than the Demerged Undertakings, shall be referred to as the "**Remaining Undertaking**".
4. We report that, given that the Appointed Date is defined in the Draft Scheme to mean "April 1, 2018 or such other date as the Hon'ble Tribunal may direct", we are not in a position to quantify the pre demerger and indicative post demerger net worth of the Company as on the Appointed Date and accordingly do not report on the same. However, for the purposes of this Certificate, we have considered the figures of book values of assets and liabilities as per the audited (audited by preceding auditor in respect of which management of the company have made available unqualified audit report) financial statements as at March 31, 2017 of the HSIL Limited, in relation to Demerged Undertakings and Remaining Undertaking, which are as represented to us by the management of the Company, to arrive at the combined net-worth as per the book value, pre demerger and post demerger.
5. For this purpose we have carried out arithmetical accuracy only and above data/information are based on certain assumptions/assessment/estimation as considered necessary by the management

Management's Responsibility for the Statement

6. 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 estimates that are reasonable in the circumstances.
7. The management is also responsible for ensuring that the Company complies with the requirements of the applicable SEBI Circulars and the Companies Act, 2013, in relation to the Draft Scheme and for providing all the information to SEBI and the Stock Exchanges.

Auditor's Responsibility

8. Our responsibility to provide a reasonable assurance whether:
 - (a) the amounts in the Statement that form part of the pre demerger and indicative post demerger Net Worth computation, as at March 31, 2017, have been accurately extracted from the audited financial statements of HSIL Limited as at, and for the year ended, March 31, 2017 (as mentioned in Paragraph 2 above) & management certified Financial Statements of the Company as on 2nd November 2017 (date of incorporation of the Company) and the computation of net worth is arithmetically correct; and
 - (b) the computation of net worth is in accordance with the method of computation set out in Section 2(57) of the Companies Act, 2013, except that, pending approval of the Draft Scheme, the Company has considered the book values of the BPDM Undertaking of HSIL Limited as per its audited financial statements as at March 31, 2017 in arriving at the indicative post demerger net worth of the Company.
9. The audited financial statements as at, and for the year ended, March 31, 2017 of HSIL Limited, referred to in Paragraph 8 above, have not been audited by us. We have relied upon the audited financial statements, for the year ended March 31, 2017, as audited by the previous statutory auditors of HSIL Limited. We have only carried upon the procedures as decided in our terms of engagement on the audited financial statements for year ended March 31, 2017.
10. We conducted our examination of the Statement in accordance with the revised Guidance Note on Reports or Certificates for Special Purposes (Revised) 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.
11. 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.
12. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting criteria mention in Paragraph 8 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the Reporting Criteria. We have performed the following procedures in relation to the Statement:
 - (a) Traced and agreed the account balances (Equity Share Capital, Other Equity) used in the computation of the pre demerger net worth in the attached Statement, to the management certified financial statement of the Company as at 2nd November 2017 prepared under Indian Accounting Standards (IND AS), which have not been audited by us.
 - (b) Traced and agreed the amounts for the indicative post demerger net worth in attached Statement, to the audited financial statements of the HSIL Limited, in relation to the Demerged Undertakings and the Remaining Undertaking, as at and for the year ended March 31, 2017 prepared under Ind AS, which has been audited by another firm of Chartered Accountants. We have solely relied on the book values as per the financial statements audited by another firm of Chartered Accountants, and not performed any procedures for determining completeness and appropriateness of book values extracted in the statement of indicative post demerger net worth, relating to the Company.
 - (c) Read the certified copy of the Draft Scheme, as approved by the Board of Directors of the Company, at its meeting held on 10th November, 2017.
 - (d) Have obtained management representation from the Company, including relating to the book values of certain assets, which as represented to us by the management of the Company, and are not proposed to be demerged in Somany Home Innovation Limited and which are remaining in HSIL Limited. In this regard, we have solely relied on management representation of the Company and have not performed any additional procedures.



- (e) Tested the arithmetical and clerical accuracy of the Statement.
- (f) The pre demerger and indicative post demerger net worth of the Company has been arrived at on the basis of balances in the books of the HSIL Limited as on March 31, 2017 and the books of Company and will undergo changes on the effective date of implementation of the Draft Scheme on account of profit / (loss) during the intervening period (From April 1, 2017 to the effective date) and the accounting of the Scheme as per Ind AS 103 - Business Combinations, including determination of fair values of the assets and liabilities of the Company as on the effective date and issue of equity shares by the Company to the shareholders of the HSIL Limited in the approved equity shares swap ratio.


Opinion

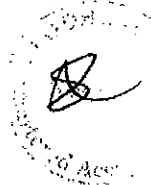
13. Based on our examination, as above, and the information and explanations given to us and read with the matter stated in Paragraphs 11(d) and 11 (f) above, we are of the opinion that the amounts that form part of the computation of the pre demerger net worth as at 2nd November 2017 of Rs. 0.10 crore and indicative post-demerger net worth as at March 31, 2017 of Rs. 154.35 crore, as per the Statement prepared by the management, have been accurately extracted from the respective audited financial statements of HSIL Limited for the year ended March 31, 2017 and management certified Financial Statements of the Company as on 2nd November 2017; and that the computation of indicative net worth in the Statement is mathematically accurate and is in all material respects, in accordance with the method of computation set out in Section 2(57) of the Companies Act, 2013.

Restriction on Use

14. This certificate is issued at the request of the Company for onward submission to the BSE Limited and the National Stock Exchange of India Limited and any other regulatory authority as required under applicable law. This certificate should not be used for any other purpose without our prior written consent.

For LODHA & CO
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 301051E


(GAURAV LODHA)
PARTNER
MEMBERSHIP NO. 507462



PLACE : NEW DELHI
DATE : 10th November 2017

BRILLOCA LIMITED

Registered Office: 2, RED CROSS PLACE, KOLKATA - 700001

CIN: U74999WB2017PLC223307

T- +91-33-2248 7407/5668

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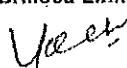
Pre demerger and post demerger net worth of Brilloca Ltd. ("Resulting Company 2")

Particulars		Rs. Crore	
		Pre Demerger	Post Demerger
Equity Share Capital	A	0.10	0.10
Other Equity (Excluding Revaluation Reserves)			
Security Premium		-	48.65
General Reserve		-	23.72
Other Comprehensive Income		-	(0.05)
Surplus in Profit & Loss A/c		-	81.93
Total Free Reserves excluding Revaluation Reserve	B	-	154.26
Less:			
Miscellaneous Expenditure	C	-	-
Deferred Revenue Expenditure not written off	D	-	-
Net-worth	A+B-C-D	0.10	154.35

Notes:

1. As Resulting Company 2 has been incorporated on November 2, 2017, audited financial statements for Resulting Company 2 are not available and the pre demerger net worth figures stated above represent the paid-up share capital of Resulting Company 2 at incorporation. Further, the post demerger net worth figures of Resulting Company 2 have been calculated using the net worth of the BPDMD Undertaking of HSIL Limited, as per the book values in the audited financial statements of HSIL Limited, as on 31 March 2017.
2. The pre demerger and post demerger net worth are considered 'indicative' as the Appointed Date is defined in the Scheme to mean "April 1, 2018 or such other date as the Hon'ble Tribunal may direct" and it would not be possible for the management to appropriately quantify the figures for the prospective date. Further, these figures will undergo changes on the effective date of implementation of the Scheme. Hence the management has considered the book values of the assets and liabilities of the Company as per its audited financial statements as on March 31, 2017 and are based on certain assumptions/assessments/ estimation as considered necessary by the management to compute the indicative post demerger net worth above.

For Brilloca Limited


Authorised Signatory

