

Annexure 10

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Private and confidential

The Board of Directors
Tata Chemicals Limited
Bombay House
24 Homi Mody Street
Fort
MUMBAI 400 001

27 May 2019

Independent Auditor's Certificate on the proposed accounting treatment in the books of the Demerged Company contained in the Scheme of Arrangement

This Certificate is issued in accordance with the terms of our engagement letter dated 13 August 2018 and addendum dated 21 May 2019.

We, the statutory auditors of Tata Chemicals Limited (hereinafter referred to as "the Company" or "the Demerged Company"), have examined the proposed accounting treatment in the books of the Company specified in clause 3.2 of Part B of the Scheme of Arrangement ('the Scheme') between Tata Chemicals Limited and Tata Global Beverages Limited ('the Resulting Company') and their respective shareholders and creditors in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 ('the Act') and other relevant provisions, if any, of the Act, with reference to its compliance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act and other generally accepted accounting principles.

For ease of reference, the clause 3.2 of Part B of the Scheme, duly authenticated by the Chief Financial Officer on behalf of the Company, is attached as an Annexure to this certificate, and is initialed by us only for the purposes of identification.

Management's Responsibility

The responsibility for the preparation of the Scheme and its compliance with the provisions of the Act, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and other relevant laws and regulations, including the applicable Ind AS and other generally accepted accounting principles, as aforesaid, is that of the Board of Directors of the companies involved.

The responsibility for the preparation of the Scheme includes the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility also includes the 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 the circumstances. The responsibility for giving effect to the accounting treatment in the books of the Demerged Company as specified in clause 3.2 of Part B of the Scheme is that of the Board of Directors of the Demerged Company.



B S R & Co is partnership firm with
Registration No. BA61223) converted into
B S R & Co LLP (a Limited Liability Partnership
with LLP Registration No. AAB-8181)
with effect from October 14, 2013

Registered Office
5th Floor, Lodha Excelus
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Mumbai - 400 011 India

Independent Auditor's Certificate on the proposed accounting treatment in the books of the Demerged Company contained in the Scheme of Arrangement (Continued)

Management's Responsibility (Continued)

The Management is also responsible for ensuring that the Company provides all relevant information to National Company Law Tribunal and other regulatory authorities including Securities and Exchange Board of India, Stock exchange(s) and Regional Director, Ministry of Corporate Affairs.

Auditor's Responsibility

Pursuant to the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder, our responsibility is only to examine and provide a reasonable assurance whether the proposed accounting treatment in the books of the Demerged Company prescribed in clause 3.2 of Part B of the Scheme complies with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and Ind AS specified under Section 133 of the Companies Act, 2013 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 the 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 conducted our examination of the proposed accounting treatment 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.

We have complied with relevant applicable requirements of Standard of Quality Control (SQC) I, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements'. Further, our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Scheme.

Opinion

As per the Companies Act, 2013, the Scheme has to provide for an Appointed Date from which the Scheme shall be deemed to be effective. The Company has accordingly proposed the Appointed Date as 1 April 2019. However, as per the Ind AS, an entity is required to account for a demerger on the effective date (i.e. the date on which the National Company Law Tribunal approves the Scheme), which may be different from the Appointed Date.

Based on our aforesaid examination and read with our comment 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 of the proposed accounting treatment in the books of the Demerged Company contained in clause 3.2 of Part B of the Scheme, if approved by the National Company Law Tribunal, will be in compliance with the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and circulars issued thereunder and with the applicable Ind AS, specified under Section 133 of the Companies Act, 2013 and other generally accepted accounting principles.



B S R & Co. LLP

Tata Chemicals Limited
27 May 2019
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Independent Auditor's Certificate on the proposed accounting treatment in the books of the Demerged Company contained in the Scheme of Arrangement (Continued)

Restriction on Use

This Certificate is issued at the request of the Company solely for the purpose of onward submission to the National Company Law Tribunal and other regulatory authorities including Securities and Exchange Board of India, Stock exchange(s) and Regional Director, Ministry of Corporate Affairs, in relation to the Scheme 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 certificate is shown or into whose hands it may come without our prior consent in writing.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-10002

A handwritten signature in black ink, appearing to read 'Vijay Mathur', is written over the printed name.

Vijay Mathur

Partner

Membership No: 046476

ICAI UDIN: 19046476AAAAAL4869

Mumbai
27 May 2019

Enclosed: Management certified true copy of Clause 3.2 of Part B – Accounting Treatment in the books of the Demerged Company, of the Scheme





Proposed accounting treatment as mentioned in Clause 3.2 of Part B in the Scheme of Arrangement between Tata Chemicals Limited ('the Company' or the 'Demerged Company') and Tata Global Beverages Limited (the 'Resulting Company')

3.2. Accounting treatment in the books of the Demerged Company:

3.2.1 Pursuant to the Scheme coming into effect, with effect from the Appointed Date, the Demerged Company shall account for the demerger of the Demerged Undertaking in its books of account in the following manner:

- (i) The Demerged Company shall transfer all the assets and liabilities pertaining to the Demerged Undertaking as on the Appointed date at the values appearing in its books of account (i.e., the book value) at the Appointed Date to the Resulting Company. Accordingly, the Demerged Company shall reduce from its books of account, the book values appearing on such date in accordance with the provisions of Section 2(19AA) of the IT Act.
- (ii) Having recorded the transfer of the assets and liabilities, as aforesaid, the Demerged Company shall make necessary adjustments for the sake of compliance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013, specifically Ind AS 10 Appendix A 'Distribution of Non cash assets to Owners', and shall debit the fair value of the Demerged Undertaking to the Retained Earnings/General Reserve and create a corresponding liability.
- (iii) The book value of net assets derecognized at (i) above will be adjusted against the liability recognized at (ii) above. The difference, if any, shall be recognized in the Statement of Profit and Loss in accordance with Ind AS 10 Appendix A.

For Tata Chemicals Limited

John Mulhall
Chief Financial Officer
Date : 27 May 2019

SIGNED FOR IDENTIFICATION
BY

For B S R & CO. LLP



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