

Sharp & Tannan Associates

Chartered Accountants

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VDR/ AS: 2019-20/ PRB - STML/ 16

To,

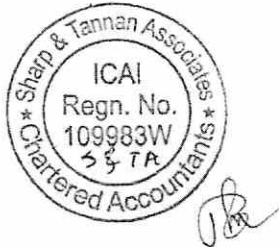
The Board of Directors of Surat Textile Mills Limited
Tulsi Krupa Arcade, 6th Floor, Near Aai Mata Chowk,
Puna-Kumbharia Road, Dumbhal, Surat- 395010.

Sub: Auditor's certificate with respect to compliance of accounting treatment with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder for draft scheme of amalgamation of Surat Textile Mills Limited ("STML") and Vareli Trading Company Limited ("VTCL")

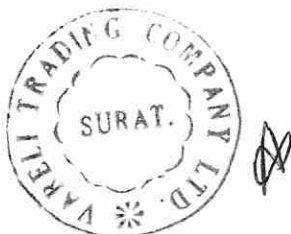
We, the statutory auditors of STML, have examined the proposed accounting treatment specified in clause 10 of the Draft Scheme of Arrangement between the STML and VTCL ("the Scheme"), in terms of the provisions of section(s) 230 to 232 of the Companies Act, 2013 ("the Act") with reference to its compliance with the applicable Accounting Standards notified under the Act and other generally accepted accounting principles.

The responsibility for the preparation of the 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 to examine and report whether the accounting treatment mentioned in the 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 STML. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes (Revised 2016), 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 Scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable Accounting Standards notified by the Central Government under the Act.



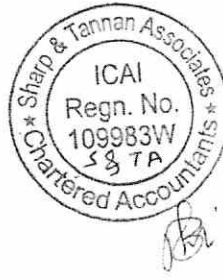
Also at Ahmedabad, Baroda and Pune. Associate Offices at Bengaluru, Chennai, Hyderabad, New Delhi and Panjim (Goa)



This Certificate is issued at the request of the STML pursuant to the requirements of paragraph 5 of circular No. CIR/DIL3/CIR/2017/21 dated 10 March 2017 for onward submission to the Stock Exchanges. This Certificate should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or 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.

UDIN	19047751AAAAEF2260
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For Sharp & Tannan Associates,
Chartered Accountants
Firm's Reg. No.: 109983W



CA Pramod Bhise
Partner

Membership No.: (F) 047751

Pune: 26 September 2019

