

M H S & ASSOCIATES

Chartered Accountants

304, S.P. Apartments, Pushpa Park, Daftary Road, Malad (East), Mumbai - 400097
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To,
The Board of Directors,
Arrow Textiles Limited
Plot No.101 - 103,
19th Street, MIDC, Satpur,
Nashik - 422 007.

Independent Auditor's Certificate on the proposed accounting treatment specified in the Draft Scheme of Amalgamation

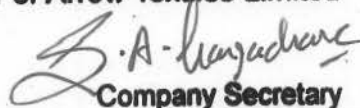
1. This certificate is issued in accordance with the terms of our engagement letter dated 10th October, 2018.
2. We, M H S & Associate, the statutory auditors of Arrow Textiles Limited (herein after referred to as the "Company"), have been requested by the Company to issue a certificate, pursuant to the requirements of Paragraph 5(a) of Annexure I of the Circular bearing reference no. CGD/DIL3/CIR/2017/21 dated 10 March 2017 issued by the Securities and Exchange Board of India (hereinafter referred to as the "Circular"), to examine the proposed accounting treatment specified in Clause 6 of the Draft Scheme of Amalgamation between and amongst Arrow Textiles Limited ("ATL" or "First Transferor Company") and MMG India Private Limited ("MMG" or "Second Transferor Company") with Delta Magnets Limited ("DML" or "Transferee Company" or "Amalgamated Company") and their respective Shareholders under Sections 230 to 232 of the Companies Act, 2013 (hereinafter referred to as "Scheme" or "the Scheme" or "this Scheme") with reference to its compliance with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and Other Generally Accepted Accounting Principles.

Management Responsibility

3. 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.

CERTIFIED TRUE COPY

For Arrow Textiles Limited


Company Secretary



4. This responsibility 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.
5. Management is also responsible for ensuring that the Company complies with the requirements of the Companies Act, 2013 and the Circular, as amended from time to time, in relation to the Scheme and providing all the information to the BSE Limited (the "BSE") and the National Stock Exchange of India Limited (the "NSE").

Our Responsibility

6. Our responsibility is to examine and report whether the proposed accounting treatment referred to in Clause 6 of 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, 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 of Audit Reports and Certificates for Special Purposes (the "Guidance Note") issued by Institute of Chartered Accountants of India ("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. Further, our examination did not extend to any other parts and aspects of a legal or proprietary nature in the Scheme.
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 Services Engagements.

Opinion

8. Based on our examination and according to the information and explanations give to us, we confirm that in aforesaid Scheme, no accounting treatment has been specified for the Company as it will be amalgamated into the Amalgamated Company pursuant to the Scheme.



Restriction on Use

9. This Certificate is issued at the request of the Board of Directors of the Company pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the BSE and the NSE. This certificate should not be used for any other purpose without our prior written consent. This certificate should not be quoted or referred to in any other document or made available to any other person or persons without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For M H S & Associates

Chartered Accountants

ICAI Firm Registration No. 141079W

Mayur H. Shah

(Mayur H. Shah)

Proprietor

Membership No. 147928



Mumbai: 11th October, 2018