

# Walker Chandlok & Co LLP

To  
The Board of Directors  
**Prime Securities Limited**  
1109/ 1110, Maker Chambers V  
Nariman Point  
Mumbai – 400 021

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**Independent auditor's certificate on the proposed accounting treatment included in the draft scheme of arrangement pursuant to SEBI circular no. CFD/DIL3/CIR/2017/21 dated 10 March 2017, as amended from time to time, sections 230 to 232 and section 66 of the Companies Act, 2013, and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016**

1. This certificate is issued in accordance with the terms of our engagement letter dated 08 January 2020 with Prime Securities Limited ('the Company' or 'the Transferee Company').
2. We, the statutory auditors of the Company, have examined the proposed accounting treatment specified in Clause 2.6 and Clause 3.3 of the draft scheme of arrangement between the Company and 1) Primesec Investments Limited and 2) Prime Commodities Broking (India) Limited ('the Transferor Companies') and their respective shareholders (hereinafter referred to as the 'Draft Scheme'), as approved by the Board of Directors in their meeting held on 09 January 2020, in terms of the provisions of SEBI circular no. CFD/DIL3/CIR/2017/21 dated 10 March 2017, as amended from time to time ('the SEBI circulars'), Sections 230 to 232 and section 66 of the Companies Act, 2013 ('the Act'), and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ('the rules') with reference to its compliance with the accounting standards prescribed under section 133 of the Act, read with relevant rules issued thereunder (the 'applicable accounting standards'), and other generally accepted accounting principles in India. The Draft Scheme, as attached herewith in Appendix I, has been initialed and stamped by us for identification purpose only.

### Management's Responsibility

3. The responsibility for the preparation of the Draft Scheme, and its compliance with the relevant laws and regulations, including the applicable accounting standards and other generally accepted accounting principles in India, is that of the Board of directors of the companies involved. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Draft Scheme, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management is also responsible for ensuring that the Company complies with the requirements of Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and circulars issued thereunder, and the applicable accounting standards, in relation to the Draft Scheme, and for providing all relevant information to the National Company Law Tribunal, and the BSE Limited, and the National Stock Exchange of India Limited (hereinafter referred to as 'the stock exchanges').

### Auditor's Responsibility

4. Pursuant to the requirements of the section 230 and 232 and section 66 of the Act, and the relevant laws and regulations, it is our responsibility to provide reasonable assurance as to whether the proposed accounting treatment specified in Clause 2.6 and Clause 3.3 of the Draft Scheme complies with the applicable accounting standards and other generally accepted accounting principles.



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**Prime Securities Limited**  
**Independent auditor's certificate on the proposed accounting treatment included in the draft scheme of arrangement**

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- 5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
- 6. 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, issued by the ICAI.

**Opinion**

- 7. Based on our examination as above and according to the information and explanations given to us, along with the representations provided by the Management, in our opinion:
  - a. the proposed accounting treatment specified in clause 2.6 of the Draft Scheme, attached herewith and stamped by us for identification only, is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and circulars issued thereunder and the applicable accounting standards and other generally accepted accounting principles in India;
  - b. the proposed accounting treatment specified in clause 3.3 of the aforesaid scheme, is not directly addressed by the applicable accounting standards but is in compliance with other generally accepted accounting principles in India.

**Restriction on distribution or use**

- 8. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the requirements of the provisions of the SEBI circulars, Sections 230 to 232 and section 66 of the Act, and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, for onward submission to the stock exchanges and National Company Law Tribunal along with the Draft Scheme. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have had as auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as auditors of the Company.
- 9. This certificate is issued at the request of the Company's management for onward submission to the stock exchanges and National Company Law Tribunal along with the Draft Scheme. Accordingly, this certificate may not be suitable for any other purpose, and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandniok & Co LLP**  
Chartered Accountants  
Firm Registration No.: 001076N/N500013



**Sudhir N. Pillai**  
Partner  
Membership No. 105782

**UDIN No:20105782AAAAAB9661**

Place: Mumbai  
Date: 09 January 2020