

Walker Chandlok & Co LLP

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

Independent auditor's certificate on non-applicability of paragraph I (A) (9) (a) and I (A) (9) (b) of Annexure I of Circular No. CFD/DIL3/CIR/2017/21 dated 10 March 2017 issued by the Securities and Exchange Board of India ('SEBI')

1. This certificate is issued in accordance with the terms of our engagement letter dated 08 January 2020 with **Prime Securities Limited** ('the Company').
2. The Management of the Company has prepared the accompanying undertaking approved by the Board of Directors of the Company at its meeting held on 09 January 2020 ('the Undertaking') pursuant to paragraph I(A)(9)(c) of Annexure I of Circular No. CFD/DIL3/CIR/2017/21 dated 10 March 2017 issued by the SEBI (the 'SEBI Circular') stating the reasons for non-applicability of requirements prescribed under paragraph I(A)(9)(a) and I(A)(9)(b) of Annexure I of the SEBI Circular in connection with the draft Scheme of Arrangement between the Company and its wholly owned subsidiaries, 1) Primesec Investments Limited and 2) Prime Commodities Broking (India) Limited and their respective shareholders ('the Draft Scheme') in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 ('the Act') and other relevant provisions and rules made thereunder. We have initialled the Undertaking for identification purposes only.

Management's Responsibility for the Undertaking

3. The preparation of the Undertaking is the responsibility of the management of the Company including preparation and maintenance of all accounting and other relevant supporting records and documents in relation to the Draft Scheme. This responsibility includes design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Undertaking and applying 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 all the requirements of SEBI Circular and the Act in relation to the Draft Scheme and for providing all relevant information to the SEBI, the BSE Limited ('the BSE') and the National Stock Exchange of India Limited ('the NSE').

Auditor's Responsibility

5. Pursuant to the requirements of the SEBI Circular, it is our responsibility to express a reasonable assurance, in the form of an opinion, based on our examination of the Draft Scheme as to whether the requirements of paragraph I(A)(9)(a) and I(A)(9)(b) of Annexure I of the SEBI Circular are applicable to the Draft Scheme.
6. We conducted our examination of the Undertaking 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.



Walker Chandiook & Co LLP

Prime Securities Limited

Independent auditor's certificate on non-applicability of paragraph I (A) (9) (a) and I (A) (9) (b) of Annexure I of Circular No. CFD/DIL3/CIR/2017/21 dated 10 March 2017 issued by the Securities and Exchange Board of India ('SEBI')

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, issued by ICAI.

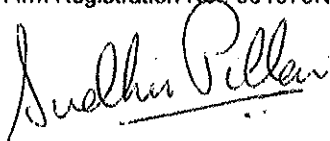
Opinion

8. Based on our examination of the Draft Scheme and according to the information and explanations provided to us, along with the representations provided to us by the management, in our opinion, the requirements of paragraph I(A)(9)(a) and I(A)(9)(b) of Annexure I of the SEBI Circular are not applicable to the Draft Scheme for the reasons stated in the Undertaking.

Restriction on distribution or use

9. 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 Circular. 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 as statutory 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 statutory auditors of the Company.
10. The certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose of enabling them to comply with the requirements of the SEBI Circular which require them to submit the certificate by the statutory auditors along with the accompanying Undertaking, duly approved by the Board of Directors of the Company, for onward submission to the SEBI, the BSE and the NSE 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 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 Chandiook & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013



Sudhir N. Pillai
Partner
Membership No. 105782

UDIN No:20105782AAAAAC8959

Place: Mumbai
Date: 09 January 2020



Undertaking by the Board for non-applicability of majority of minority shareholders approval

UNDERTAKING

This undertaking is being given by Prime Securities Limited solely to comply with the requirements of Part I(A)(9)(c) of the SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017.

The Scheme of arrangement ('Scheme') involves Prime Securities Limited ('Transferee Company') and its wholly owned subsidiaries, Prime Commodities Broking (India) Limited and Primesec Investments Limited (collectively referred to as 'Transferor Companies'). It is hereby stated that the conditions prescribed in paragraph I (A) (9)(a) and (b) of Annexure I of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (in relation to voting by public shareholders through e-voting) are not applicable to the proposed draft scheme based on the following grounds:

1. Where additional shares have been allotted to Promoter / Promoter Group, Related parties of promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the listed entity.

Reasons for Non-applicability:

Upon sanction / becoming effective of the proposed Scheme, no shares of the company under the proposed scheme will be allotted to Promoter / Promoter Group, Related parties of promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Company.

2. Where the Scheme of arrangement involves the listed entity and any other entity involving Promoter / Promoter Group, Related parties of promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group.

Reasons for Non-applicability:

The proposed scheme does not involve any other entities involving Promoter / Promoter Group, Related parties of promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Company.

3. Where the parent listed entity has acquired, either directly or indirectly, the equity shares of the subsidiary from any of the shareholders of the subsidiary who may be Promoter / Promoter Group, Related parties of promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the parent listed entity and if that subsidiary is being merged with the parent listed entity under the Scheme.





Reasons for Non-applicability:

The clause is not applicable since the parent listed entity has directly invested in the equity shares of the subsidiary and has not acquired the same from the Promoter / Promoter Group, Related parties of promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the parent listed entity.

- 4. Where the scheme involving merger of an unlisted entity results in reduction in the voting share of pre-scheme public shareholders of listed entity in the transferee / resulting company by more than 5% of the total capital of the merged entity.

Reasons for Non-applicability:

The clause is not applicable since the entire share capital of the transferor companies is held by the transferee company and hence it does not result into any reduction in the voting share of pre-scheme public shareholders of listed entity in the transferee company by more than 5%.

- 5. Where the scheme involves transfer of whole or substantially the whole of the undertaking of the listed entity and the consideration of such transfer is not in the form of listed shares;

Reasons for Non-applicability:

The clause is not applicable since the scheme does not involve transfer of 'whole' or 'substantially the whole' of the undertaking of the listed entity.

For the reasons stated above, we undertake that the following requirements of paragraph 1 (A) (9) (a) and (b) of Annexure I of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 are not applicable to the scheme:

- 1. Mandatory Requirement for voting by public shareholders through e-voting, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to the resolution; and
- 2. Requirements for the Scheme of arrangement to be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by public shareholders against it.

Yours faithfully,

On behalf of the Board

For Prime Securities Limited


 Ajay Shah
 Company Secretary
 (ACS-14359)

Mumbai, January 9, 2020

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