

January 9, 2020

The General Manager
Department of Corporate Services
BSE Limited
P. J. Towers, Dalal Street,
Mumbai 400001

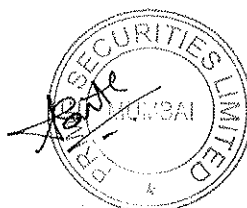
Dear Sir,

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the Composite Scheme of Arrangement for merger of Primesec Investments Limited ("PIL" or "Transferor Company 1") and Prime Commodities Broking (India) Limited ("PCBIL" or "Transferor Company 2") with and into Prime Securities Limited ("PSL" or "the Company" or "Transferee Company") and Reduction of Capital and Reorganisation of Reserves of the Company ("Scheme of Arrangement")

Re: Reasons for non-applicability of Valuation Report and Fairness Opinion for Scheme of Arrangement

In connection with the above application, we hereby confirm the following reasons for non-applicability of Valuation Report and Fairness Opinion:

- a) Para I(A)(4) of Annexure I of SEBI circular dated March 10, 2017 mandates every listed company to submit a Valuation Report from an Independent Chartered Accountant. However, such Valuation Report is not required in case where there is no change in the shareholding pattern of the listed entity.
- b) Change in Shareholding pattern has been defined in Para I(A)(4)(c) of Annexure I of SEBI circular dated March 10, 2017 as follows:
 - Change in proportion of shareholding of any of the existing shareholders of the listed entity in the resultant company; or
 - New Shareholders being allotted equity shares of the resultant company;
 - Existing shareholder exiting the company pursuant to the Scheme of Arrangement.
- c) The proposed Scheme envisages merger of PCBIL and PIL, being wholly owned subsidiaries, with the Company and reduction of capital and reorganisation of reserves of the Company. Since the Scheme involves merger of wholly owned subsidiaries (i.e. PCBIL and PIL), no shares will be issued by the Company upon merger and there will be no change in the shareholding pattern of the Company. Hence, the Scheme does not fall in any of the aforesaid categories. Thus, there is no requirement for obtaining a Valuation Report from an Independent Chartered Accountant.





- d) Further as per Para I(A)(2) of Annexure I of SEBI circular dated March 10, 2017 requires a Fairness Opinion by a SEBI Registered merchant banker on valuation of assets/ shares done by the valuer for the listed entity and unlisted entity. However, as there is no requirement for obtaining Valuation Report (as discussed above), no Fairness Opinion is required to be obtained by the company in relation to the Scheme.

Yours faithfully,
For **Prime Securities Limited**


Ajay Shah *
Company Secretary
(ACS-14539)