

**Independent Auditor's Certificate on the accounting treatment in the draft scheme of Arrangement under Sections 230 to 232 of Companies Act, 2013, relevant rules thereunder and SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93**

To,  
The Board of Directors,  
Prima Plastics Limited,  
41, National House,  
Opp. Ansa 'A' Building,  
Saki Vihar Road, Powai  
Mumbai-400072.

1. This Certificate is issued in accordance with the terms of our engagement letter date November 01, 2024 with Prima Plastics Limited (hereinafter the "Company" or "Demerged Company") pursuant to the requirement of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onwards submission to the Bombay Stock Exchange (BSE), National Company Law Tribunal (NCLT) and other regulatory authorities in connection with the Draft schemes mentioned in paragraph 2 below.
2. We, CNK & Associates LLP, Chartered Accountants, the Statutory Auditors of Prima Plastics Limited, have been requested by the management of the Company to examine the proposed accounting treatment specified in Clause 9.1 read with Clause 11 of the attached Draft Scheme of arrangement (the "Draft Scheme") between the Company and Prima Innovations Limited ("Resulting Company") and their respective shareholders and creditors in terms of the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act") and SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 ("SEBI Master Circular"), for compliance with the applicable Accounting Standards notified under Section 133 of the Act, relevant rules thereunder and other generally accepted accounting principles in India (collectively referred to as "applicable accounting standards"), read with General Circular No 09/2019 issued by the Ministry of Corporate Affairs dated August 21, 2019 ("MCA Circular").

**Management's responsibility**

3. The preparation of the Draft Scheme is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Draft Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Draft Scheme has been approved by the Board of Directors.
4. The Management of the Company is also responsible for ensuring that the Company complies with the relevant laws and regulations, including the applicable accounting standards as aforesaid and circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also provides relevant information to the NCLT.



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## Auditor's responsibility

5. Pursuant to the requirements of Section 230 of the Act and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and SEBI Master Circular, our responsibility is to provide reasonable assurance in the form of an opinion on whether the proposed accounting treatment as contained in Annexure A is in compliance with the applicable accounting standards read with MCA circular.
6. We audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2024, on which we issued an unmodified audit opinion vide our reports dated May 27, 2024. Our audit of these financial statements was conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (ICAI). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
7. We conducted our examination of the Annexure A in accordance with the Guidance Note on Reports or Certificates for Special Purposes (the "Guidance Note") issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. 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.
9. Our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be to express an opinion on the specified elements, accounts or items thereof for the purpose of this certificate. Accordingly, we do not express such an opinion. Further, our examination did not extend to any aspects of legal or propriety nature of the Draft Scheme and other compliances thereof. 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 any financial statements of the Company.
10. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 5 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the applicable criteria. Accordingly, our procedures included the following in relation to the Annexure A:
  - a. Obtained and read the Draft Scheme and the proposed accounting treatment specified in respect of the Company specified in Clause 9.1 read with Clause 11 therein, as provided by the Company.
  - b. Obtained copy of resolution passed by the Board of Directors of the Company dated November 12, 2024 approving the Draft Scheme.
  - c. Examined whether the proposed accounting treatment as per Clause 9.1 read with Clause 11 of the Draft Scheme is in compliance with the Applicable Accounting Standards read with MCA Circular.
  - d. Performed necessary inquiries with the management and obtained necessary representations from the management.



## Opinion

11. Based on our examination and according to the information and explanations given to us, read with paragraph 10 above, in our opinion, proposed accounting treatment contained in the Clause 9.1 read with Clause 11 of the Draft scheme as mentioned in Annexure A is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under and the applicable Accounting Standards notified under Section 133 of the Act read with the rules made there under and Other Generally Accepted Accounting Principles read with MCA circular.
12. For ease of reference, Clause 9.1 read with Clause 11 of the Draft scheme duly authenticated on behalf of the Company, is reproduced in **Annexure A** to this Certificate and is initialed by us only for the purposes of identification.

## Restriction of use

13. This certificate has been issued at the request of the Company and is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onwards submission to the Bombay Stock Exchange (BSE) and any other regulatory authority in connection with the Draft Scheme and should not be used for any other person or purpose or distributed to anyone or referred to in any document. Our examination relates to the matters specified in this certificate and does not extend to the Company as a whole. 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.

For CN K& Associates LLP  
Chartered Accounts  
Firm Registration No.: 101961W/W-100036



Vijay Mehta  
Partner  
Membership No.: 106533  
UDIN: 24106533BKCETL6459



Place: Mumbai  
Date: 12<sup>th</sup> November 2024  
Ref No: REF/CERT/VLP/320/24-25

## Annexure A

Extract of Clause 9 and 11 of the Draft Scheme of Arrangement between Prima Plastics Limited and Prima Innovation Limited and their respective shareholders and creditors (the "Draft Scheme") as approved by the Board of Directors of the Company in their meeting held on November 12, 2024, in terms of the provisions of sections 230 to 232 read with Section 52, 66 of the Companies Act, 2013 (the "Act") with reference to its compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations") and the Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by SEBI.

### 9. ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY AND RESULTING COMPANY

#### 9.1 Accounting treatment in the books of the Demerged Company

Notwithstanding anything else contained in the Scheme upon the Scheme becoming effective:

9.1.1 The Demerged Company shall account for the demerger as per Scheme in its books of accounts in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015 and generally accepted accounting principles, as may be amended from time to time.

Pursuant to the Scheme coming into effect and with effect from the Appointed Date, the Demerged Company shall transfer from its financial statements all the assets and liabilities including all reserves (general reserve, securities premium, other comprehensive income and retained earnings) pertaining to the Demerged Undertaking as on the Appointed Date at the values appearing in its books of account (i.e. book values) to the Resulting Company.

9.1.2 The Demerged Company shall use reduction in securities premium arising due to capital reduction as prescribed under Clause 11 of the Scheme to adjust such debit impact.

### 11. REDUCTION OF SECURITIES PREMIUM ACCOUNT OF THE DEMERGED COMPANY

11.1 Upon the Scheme being effective, the securities premium account adjusted in accordance with Clause 9.1.2 above by the Demerged Company shall stand reduced, which shall be regarded as reduction of share capital of the Resulting Company, pursuant to Sections 230 to 232 read with Section 52, 66 of the Act as an integral part of the Scheme itself.

11.2 It is clarified that the approval of the members of the Demerged Company to this Scheme, shall be deemed to be their consent/approval for the reduction of securities premium account of the Demerged Company under applicable provisions of the Act.



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11.3 The utilisation of securities premium account of the Demerged Company as mentioned in this Scheme shall be effected as an integral part of this Scheme under Sections 230 to 232 of the Act, without having to follow the process under Section 52 or Section 66 of the Act separately. Notwithstanding the above reduction in the capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name. It is further clarified that the procedure under Section 66 of the Act shall not be applicable in view of the explanation to Section 230 of the Act.

11.4 The reduction of securities premium account of the Demerged Company does not involve any diminution of liability of in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.

For Prima Plastics Limited

**Dharmesh R. Sachade**  
Chief Financial Officer  
M. No: 139349



**Date: November 12, 2024**  
**Place: Mumbai**



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# CNK & Associates LLP

Chartered Accountants

**Independent Auditor's Certificate on compliance of the proposed accounting treatment under Section 232(6) of the Companies Act, 2013, with the accounting standards notified under Section 133 of the Companies Act, relevant rules thereunder and other generally accepted accounting principles in India**

To,  
The Board of Directors,  
**Prima Innovation Limited,**  
85/1-2, 86/1, Daman Ind Estate,  
Kadaiya, Daman,  
Daman and Diu-396210.

1. This Certificate is issued in accordance with the terms of our engagement letter November 01, 2024 with Prima Innovation Limited (hereinafter the "Company or Resulting Company") for submission to National Company Law Tribunal (hereinafter the "NCLT") and any other regulatory authorities in connection with the Draft Scheme of Arrangement as mentioned in paragraph 2 below.
2. We, CNK & Associates LLP, Chartered Accountants, the Statutory Auditors of Prima Innovation Limited and have been requested by the management of the Company, to examine the proposed scheme of accounting given in clause 9.2 read with Clause 10 of the attached Draft Scheme of Arrangement (the "Draft Scheme") between the Company and Prima Plastics Limited ("Demerged Company) and their respective shareholders and creditors, in terms of the provisions of Sections 230 to 232 and all other applicable provisions of the Companies Act, 2013 ("the Act") for compliance with the applicable accounting standards prescribed under Section 133 of the Act, relevant rules thereunder and other generally accepted accounting principles in India (collectively referred to as "applicable accounting standards"), read with General Circular No 09/2019 issued by the Ministry of Corporate Affairs dated August 21, 2019 ("MCA Circular"). The accounting treatment as prescribed in the Draft Scheme has been included in Annexure A to this certificate which has been initialed by us for identification purposes only.

### Management's Responsibility

3. The preparation of the Draft Scheme is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Draft Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management of the Company is also responsible for ensuring that the Company complies with the requirements of the Act and for providing all relevant information to the NCLT and any other regulatory authority in connection with the Draft Scheme.



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## Auditors Responsibility

5. Pursuant to the requirements of Section 230 of the Act and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, our responsibility is to provide reasonable assurance in the form of an opinion on whether the proposed accounting treatment specified in clause 9.2 read with Clause 10 of the Draft Scheme is in compliance with the applicable accounting standards read with MCA circular.
6. We conducted our examination of the Annexure A in accordance with the Guidance Note on Reports or Certificates for Special Purposes ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
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
8. Our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be to express an opinion on the specified elements, accounts or items thereof for the purpose of this certificate. Accordingly, we do not express such opinion. Further, our examination did not extend to any aspects of legal or propriety nature of the Draft Scheme and other compliances thereof. 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 any financial statements of the Company.
9. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 5 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the applicable criteria. Accordingly, we have performed the following procedures in relation to the Draft Scheme:
  - a. Obtained and read the Draft Scheme and the proposed accounting treatment specified in respect of the Company specified in clause 9.2 read with Clause 10 herein, as provided by the Company;
  - b. Obtained copy of resolution passed by the Board of Directors of the Company dated November 12, 2024 approving the Draft Scheme;
  - c. Examined whether the proposed accounting treatment as per Clause 9.2 read with Clause 10 of the Draft Scheme is in compliance with the Applicable Accounting Standards read with MCA Circular;
  - d. Performed necessary inquiries with the management and obtained necessary representations from the management.

## Opinion

10. Based on our examination and according to the information and explanations given to us, read with paragraph 9 above, in our opinion, the proposed accounting as contained in the Clause 9.2 read with Clause 10 of the Draft scheme as mentioned in Annexure A, is in compliance with Accounting Standards prescribed under Section 133 of the Act, relevant rules thereunder and other Generally Accepted Accounting Principles, read with MCA Circular.



**Restriction on Use**

11. This certificate has been issued at the request of the Company and is addressed to and provided to the Board of Directors of the Company solely for the purpose mentioned in paragraph 2 above and to be submitted to the NCLT and any other regulatory authority in connection with the Draft Scheme and should not be used for any other person or purpose or distributed to anyone or referred to in any document. Our examination relates to the matters specified in this certificate and does not extend to the Company as a whole. 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.

For C N K & Associates LLP

Chartered Accounts

Firm Registration No.: 101961W/W-100036



**Vijay Mehta**

Partner

Membership No.: 106533

UDIN: 24106533BKCEJ6759



Place: Mumbai

Date: 12<sup>th</sup> November 2024

Ref No.: REF/CERT/VLP/321/24-25



# PRIMA INNOVATION LIMITED

## Annexure A

Extract of Clause 8, 9 and 10 of the Draft Scheme of Arrangement between Prima Plastics Limited and Prima Innovation Limited and their respective shareholders and creditors (the "Draft Scheme") as approved by the Board of Directors of the Company in their meeting held on November 12, 2024, in terms of the provisions of sections 230 to 232 read with Section 52, 66 of the Companies Act, 2013 (the "Act") with reference to its compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations") and the Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by SEBI.

## 8. CONSIDERATION

8.1 Upon effectiveness of this Scheme and in consideration of and subject to the provisions of this Scheme, and in consideration for the demerger of the Demerged Undertaking from the Demerged Company, the Resulting Company shall, without any further application, act, deed, consent, acts, instrument or deed, issue and allot, on a proportionate basis to the shareholders of the Demerged Company whose name is recorded in the register of members and records of the depository as shareholders of the Demerged Company as on the Record Date, as under:

1(One) fully paid-up equity share of the Resulting Company having face value of INR 5/- (Rupees Five) each for every 1 (One) fully paid-up equity share of INR 10/- (Rupees Ten) each of the Demerged Company.

The equity shares of the Resulting Company to be issued pursuant to this Clause 8.1 shall be referred to as "Resulting Company New Equity Shares".

## 9. ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY AND RESULTING COMPANY

### 9.2 Accounting treatment in the books of the Resulting Company

Notwithstanding anything else contained in the Scheme, upon the Scheme becoming effective:

9.2.1. The Resulting Company shall account for the demerger by the Demerged Company to the Resulting Company as per Scheme in its books of accounts in accordance with Ind AS notified under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015 and generally accepted accounting principles, as may be amended from time to time. In applying demerger accounting, the Resulting Company shall, among other matters, ensure accounting policies of demerged undertaking are aligned to the accounting policies followed by the Resulting Company.



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# PRIMA INNOVATION LIMITED

- 9.2.2. The Resulting Company shall record the assets and liabilities of the Demerged Undertaking, transferred to and vested in it pursuant to the Scheme, at their respective book values as appearing in the books of account of the Demerged Company immediately before the Appointed Date;
- 9.2.3. The identity of the reserves of the Demerged Undertaking shall be preserved and the Resulting Company shall record the reserves of the Demerged Company in the same form and at the same values as they appear in the financial statements of the Demerged Company;
- 9.2.4. The Resulting Company shall credit its equity share capital in lieu of purchase consideration payable to the shareholders of the Demerged Company at aggregate face / nominal value of Resulting Company New Equity Shares issued pursuant to clause 8.1 above.
- 9.2.5. Due to Capital Reduction as prescribed under Clause 10 of this Scheme, the shares held by the Demerged Company in the Resulting Company shall stand cancelled. The Resulting Company shall credit the corresponding amount to the respective reserves.
- 9.2.6. The difference in the value of assets and liabilities recorded by the Resulting Company as recorded by the Resulting Company after considering the impact of clause 9.2.3, 9.2.4 and 9.2.5 shall be credited to capital reserve, if any.
- 9.2.7. When the financial statement of Resulting Company are prepared under Indian Accounting Standards (Ind AS), as per Ind AS 103, the financial information in the financial statements in respect to prior periods shall be restated as if the business combination have occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of combination.

## 10. REDUCTION AND CANCELLATION OF ENTIRE PRE SCHEME PAID UP SHARE CAPITAL OF THE RESULTING COMPANY

- 10.1 Upon allotment of the Resulting Company New Equity Shares, the entire pre-Scheme paid-up share capital of the Resulting Company ("Resulting Company Cancelled Shares") shall stand cancelled and reduced, without any consideration, which shall be regarded as reduction of share capital of the Resulting Company, pursuant to Sections 230 to 232 read with Section 66 of the Act as an integral part of the Scheme itself. Further, as per the provisions of Section 230-232, the Parties shall not be required to follow the process under Section 66 of the Act or any other provisions of Applicable Laws separately.
- 10.2 Resulting Company shall debit its share capital account in its books of account with the aggregate face value of the Resulting Company Cancelled Shares and credit capital reserve for the same amount.
- 10.3 It is clarified that the approval of the shareholders of the Resulting Company to this Scheme, shall be deemed to be their consent/approval for the reduction of the share capital of the Resulting Company under applicable provisions of the Act.



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# PRIMA INNOVATION LIMITED

- 10.4 Notwithstanding the reduction in the share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.
- 10.5 The reduction and cancellation of the Resulting Company Cancelled Shares does not involve any diminution of liability of in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.

For Prima Innovation Limited



Pratik Bhaskar Parekh  
Director  
DIN: 07323730



Date: November 12, 2024  
Place: Mumbai

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