

Certificate No: 646 / 2024-25

To,  
The Board of Directors,  
Pradeep Metals Limited,  
R-205, TTC Industrial Area,  
MIDC Rabale, Navi Mumbai,  
Maharashtra, India, 400701

**Independent Auditor's Certificate certifying the proposed accounting treatment contained in the proposed Scheme of Amalgamation amongst Nami Capital Private Limited (the "Transferor Company") and Pradeep Metals Limited (the "Transferee Company") and their respective shareholders.**

1. This certificate is issued in accordance with the terms of our engagement letter dated 24<sup>th</sup> February 2025.
2. We, N.A. Shah Associates LLP, Chartered Accountants, the Statutory Auditors of Pradeep Metals Limited ("the Company"), have been requested by the Board of Directors of the Company to provide a certificate that the proposed accounting treatment specified in Clause 12 of Part II of the draft Scheme of Amalgamation (hereinafter referred to as the "Scheme") with regards to amalgamation of Nami Capital Private Limited with Pradeep Metals Limited; as specified in the draft Scheme amongst Nami Capital Private Limited and the Company and their respective shareholders in terms of the provisions of Section 230 to 232 read with Section 66 and other relevant provisions of the Companies Act, 2013 and rules made thereunder, is in accordance with the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with the rules made thereunder and other generally accepted accounting principles in India.

#### **Management's Responsibility**

3. The responsibility for the preparation of the Scheme and ensuring its compliance with the relevant laws and regulations, including the applicable Indian Accounting Standards read with rules made thereunder and other generally accepted accounting principles in India as aforesaid, is that of the Board of Directors of the Companies involved. Their responsibility includes the design, implementation and maintenance of the 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.

#### **Auditor's Responsibility**

4. Our responsibility is only to examine and report whether the proposed accounting treatment referred to in Clause 12 of Part II of the proposed Scheme referred to above comply with the applicable Indian Accounting Standards, and other generally accepted accounting principles in India. Nothing contained in this Certificate, nor anything said or done in 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. For the purpose of our certificate, we have additionally relied on the proposed Scheme certified by the Company's management and Board resolution considering and approving the proposed Scheme.
5. We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing specified under the Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the code of Ethics issued by the ICAI.



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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. Further, our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Scheme.

**Opinion**

7. Based on our examination and according to the information and explanations given to us, we are of the opinion that the accounting treatment contained in Clause 12 of Part II of the Scheme, is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder, in terms of the provisions of Section 230 to 232 of the Companies Act, 2013 with reference to its compliance with the applicable Indian Accounting Standards, prescribed under Section 133 of the Companies Act, 2013, read with the rules made thereunder, and other generally accepted accounting principles in India.

Further with respect to the reduction of capital of the transferee Company as specified in Clause 12.6 of Part II, there is no accounting treatment which has been prescribed in the Indian Accounting Standards and in our opinion the proposed accounting treatment specified in the proposed Scheme is in line with the Generally Accepted Accounting Principles in India.

8. For ease of reference, Clause 12 of Part II of the proposed Scheme, is reproduced and attached as 'Annexure A' to this Certificate and is initialled by for the purposes of identification only.

**Restriction on distribution or use**

9. This certificate is issued at the request of the Company pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for onward submission by the Company to the BSE Limited, Securities and Exchange Board of India and for filing an application pursuant to the requirements of Section 230 to 232 of the Companies Act, 2013 with the National Company Law Tribunal, Mumbai Bench and other concerned statutory authorities in connection with the approval of the proposed scheme. This Certificate should not be used for any other purpose 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 person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For N.A. Shah Associates, LLP**  
**Chartered Accountants**

ICAI Firm registration number: 116560W/W100149

*BK Kapadia*

**Bhavin Kapadia**  
Partner

Membership No: 118991  
UDIN: 25118991BMJHNT2917



Place: Mumbai  
Date: 03<sup>rd</sup> March 2025

**Annexure A**

**Relevant extract of the proposed Scheme of Amalgamation amongst Nami Capital Private Limited (the "Transferor Company") and Pradeep Metals Limited (the "Transferee Company") and their respective shareholders in terms of the provisions of Section 230 – 232 of the Companies Act, 2013.**

**12. Accounting Treatment in the books of the Transferee Company**

- 12.1. With effect from the Appointed Date and upon the Scheme becoming effective, the Transferee Company shall account for amalgamation of Transferor Company in its books of account as per "Pooling of Interest Method" prescribed under Appendix C of India Accounting Standard AS – 103 "Business Combinations" as prescribed under Section 133 of the Act read with the relevant rules issued thereunder and other generally accepted accounting principles in India.
- 12.2. All the assets and liabilities of Transferor Company shall stand transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by Transferee Company at their carrying values as on the Appointed Date. The financial information in the financial statements of the Transferee Company, to be prepared after amalgamation, in respect of prior periods will be restated to include financial information of the Transferor Company as if the business combination has occurred from the beginning of the preceding period in the financial statements.
- 12.3. The identity of the reserves shall be preserved standing in the books of account of Transferor Company shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form, as they appeared in the financial statements of Transferor Company. As a result of preserving the identity, reserves which are available for distribution as dividend before the amalgamation would also be available for distribution as dividend after amalgamation.
- 12.4. The intercompany balances if any, in the books of accounts of the Transferee Company and Transferor Company shall stand discharged and come to an end and the same shall be eliminated by giving appropriate elimination effect in the books of account and records of the Transferee Company
- 12.5. The balance of the retained earnings in the books of account of Transferor Company shall be aggregated with the corresponding balance of retained earnings of the Transferee Company.
- 12.6. The investment of Transferor Company in the equity share capital of the Transferee Company shall stand cancelled as mentioned in clause 11 above and accordingly the issued and paid up equity share capital of the Transferee Company shall stand reduced to the extent of face value of equity shares held by Transferor Company in the Transferee Company.
- 12.7. New Equity Shares to be issued and allotted by the Transferee Company to the shareholders of Transferor Company pursuant to clause 10.1 of this Scheme, shall be recognised in the books of accounts of the Transferee Company at face value.
- 12.8. The difference between the Net Assets of Transferor Company and the amount of share capital credited by the Transferee Company as per clause 12.7 above after adjusting the cancellation of book value of investments as stated in clause 12.6 would be transferred to capital reserve in the books of account of Transferee Company and such capital reserve shall be presented separately from other capital reserves.



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- 12.9. In case of any difference in accounting policy between Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference shall be quantified and adjusted in the Other Equity of the books of accounts of the Transferee Company.
- 12.10. In addition, the Transferee Company shall pass such accounting entries, as may be necessary, in connection with this Scheme to comply with any of the applicable Indian Accounting Standards and other generally accepted accounting principles in India.

