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**V. SankarAiyar & Co.**  
CHARTERED ACCOUNTANTS

**The Board of Directors  
IIFL Securities Limited**

IIFL House, Sun Infotech Park,  
Road No. 16V, Plot No. B-23,  
Thane Industrial Area, Wagle Estate  
Thane – 400604

**Statutory Auditor's Certificate on the accounting treatments specified in the  
Draft Scheme of Arrangement**

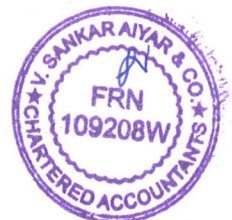
1. This certificate is issued in accordance with the terms of our engagement letter dated November 30, 2022.
2. We, M/s V Sankar Aiyar & Co., Chartered Accountants, the statutory auditors of **IIFL Securities Limited** (the "Company" or the "Demerged Company"), have examined the accounting treatment specified in the clause 8.1 pertaining to the 'Accounting treatment in the books of the company', of the Draft Scheme of Arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 between IIFL Securities Limited (the "Demerged Company") and 5paisa Capital Limited (the "Resulting Company") and their respective shareholders and creditors, (the "Draft Scheme"), with reference to its compliance with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder and other generally accepted accounting principles in India.

**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 as aforesaid, is that of the Board of Directors of the Companies involved.

**Statutory Auditor's responsibility**

4. Our responsibility is to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. 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.
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 Standards on Auditing specified under 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.



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 Draft Scheme.

**Opinion**

7. Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment in the books of Demerged company as contained in the Draft Scheme, considering that the combination is a common control business combination in terms of Appendix C of Ind AS 103 on Business Combinations, is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013, read with the relevant rules issued there under and other generally accepted accounting principles in India.
8. For ease of reference, accounting treatment in the books of Demerged company as contained in the Draft Scheme is reproduced in Annexure 1 to this certificate, duly authenticated on behalf of the Company, and is initialed by us only for the purposes of identification.

**Restriction on use**

9. This Certificate is issued at the request of the IIFL Securities Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the Stock Exchanges, National Company Law Tribunal, Regional Director and other regulatory authorities, as applicable. This Certificate should not be used for any other purpose without our prior written consent.

**For V Sankar Aiyar & Co.**  
**Chartered Accountants**  
**FRN: 109208W**

*S Nagabushanam*

**S Nagabushanam**  
**Partner**  
**M.No: 107022**  
**UDIN: 22107022BFSJIO5623**



**Place: Mumbai**  
**Date: December 06, 2022**



Certified true copy of clause 8.1 of Part II of the Scheme of Arrangement under Sections 230 to 232 and other applicable provisions of Companies Act, 2013 between IIFL Securities Limited "Demerged Company" and 5 paisa Capital Limited "Resulting Company".

Accounting treatment in the books of IIFL Securities Limited

Clause 8 of Part II

8.1 Accounting treatment in the books of the Demerged Company

8.1.1 The Demerged Company shall, upon the Scheme becoming effective, reduce the assets and liabilities of the Demerged Undertaking vested in the Resulting Company pursuant to this Scheme at their respective book values as on the Effective Date;

8.1.2 Inter-company balances and transaction between the Resulting Company and the Demerged Undertaking of the Demerged Company, if any, will stand cancelled;

8.1.3 The difference being the excess of the book value of assets over the book value of the liabilities pertaining to the Demerged Undertaking and demerged from the Demerged Company pursuant to this Scheme after giving effect to Clause 8.1.2 shall be adjusted to Capital Reserve (to the extent available) and remaining balance shall be adjusted to Retained earnings or General Reserve of the Demerged Company; and

8.1.4 When the financial statements will be prepared under the Indian Accounting Standards ("Ind AS"), as per Ind AS 103, the financial information in the financial statements in respect of prior periods (prior to the Effective Date) shall be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

For IIFL Securities Limited



Ronak Gandhi  
Chief Financial Officer  
Mumbai  
December 06, 2022



**IIFL Securities Limited** (Formerly known as "India Infoline Limited")

Corporate Identity Number: **U99999MH1996PLC132983**

**IIFL Tech Center:** 6th & 7th Floor, Ackruti Center Point, Central Road, MIDC, Andheri (E), Mumbai-400093

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