

INDEPENDENT AUDITOR'S REPORT

Limited Report on the data included in the Statements of the company with respect to the trading data of selected scrips under 'Dead Cat Bounce strategy'

We have audited the accompanying statements of FRR Shares & Securities Limited ('the company') which comprise of the data in respect of trading of certain selected scrips on the recognized stock exchanges over the period of 1st April 2016 to 31 December 2016 under company's 'Dead Cat Bounce strategy' and the returns achieved by such scrips over the said period. We understand that these trades were undertaken by the company in its own account as well as company's clients based on advice given by the company along with necessary disclaimers.

Management's Responsibility for the Trading Data and the returns achieved by the selected scrips

Management is responsible for the preparation of this data that gives a true and fair view of the number of trades undertaken and the rate of returns achieved by the selected scrips in trades undertaken over the specified period being 1st April 2016 to 31 December 2016. While the data regarding the number of trades has been taken from the trade data of own trades as well as the clients availing advisory services, the rate of return has been calculated considering the Weighted Average Capital Deployed Method over the specified period.

This responsibility includes keeping an audit trail over the advisory services offered by the company, the correctness of the volume of trading data and the methodology adopted in the calculation of the rate of return achieved by the selected scrips over the period of audit

Auditor's Responsibility

Our responsibility is to express an opinion on the data presented before us in respect of the trading volume of the selected scrips over the period of audit being 1st April 2016 to 31 December 2016 and the rate of return achieved by these scrips over the said period based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the data included in the statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the figures included in and the disclosures made in the statements subjected to audit. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the data included in the statements being subjected to audit in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the data included in the statements subjected to audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the data included in the said statements gives a reasonably correct information in respect of the trading volumes of the selected scrips over the period of audit being 1st April 2016 to 31 December 2016 and the rate of returns achieved by these scrips over the said period.

Caveats

The opinion expressed above is restricted to the selected scrips (included in the attached statements) and do not in any way construe any comment by us on the trading volumes or success achieved by the company in respect of its overall trading operations or in respect of the advisory services offered by it to its clients.

The opinion should not be construed to be a recommendation by us, in any manner to undertake trades in the selected scrips included in the statements subjected to audit.

There could be other methods of calculating the rate of return achieved by the scrips over the specified period and the methodology adopted by the company is only one of them. We have given our opinion on the methodology adopted by the company which calculates return over the weighted average of capital deployed. This opinion in no way comments on the merits of the methodology vis a vis the other possible methods of calculating the rate of returns over the specified period

We understand that the opinion given by us on the trading volumes and the rate of return achieved by the selected scrips will be displayed by the company on its website and that it will not be used for any other purposes without our written consent. The contents and design of such display will be decided upon by the company in consultation with us and the company will address any reasonable concerns that we may have in this regard. At the time of any subsequent change in the design and contents of the display, the company will be expected to seek our consent to such change. Further the display on the website will have a link to the detailed opinion given by us.

For Lovi Mehrotra & Associates
Chartered Accountants
Firm Registration No. 504724N



Lovi Mehrotra
Partner
Membership No. 73611
Place: Delhi
Date: February 9, 2017