ANNEXURE - "E"

SAFFRON
energising ideas

Saffron Capital Advisors Private Limited
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Date: October 25, 2021

The Board of Directors
Prem Somani Financial Services Limited
Flat no. 408, Second Floor, Anand Chamber
Baba Harishchandra Marg
Raisar Plaza, Indira Bajar
Jaipur – 302 001
Rajasthan, India

Dear Members of the board,

1. Engagement Background

We understand that the Board of Directors of Prem Somani Financial Services Limited ("Company") are considering a Scheme of Reduction of Capital pursuant to Section 66 of the Companies Act, 2013 and other applicable provisions for reduction of equity capital of Prem Somani Financial Services Limited.

The terms and conditions of the proposed scheme are more fully set out in the draft scheme document shared with us, the final version of which will be filed by the aforementioned companies with the appropriate authorities.

We understand that the Valuation is based on the Valuation Certificate dated August 25, 2021 issued by Abhinav Rajvanshi, Registered Valuer (Registration No. IBBI/RV/06/2019/11765) ("Valuer").

We, Saffron Capital Advisors Private Limited, a SEBI registered Category-I Merchant Banker, have been engaged by the Company to give a fairness opinion ("Opinion") on Valuation Certificate dated August 25, 2021 issued by the Abhinav Rajvanshi, Registered Valuer (Regn. No. IBBI/RV/06/2019/11765).

2. Background of the companies and Rationale

Prem Somani Financial Services Limited (hereinafter "the Company"), is a Company incorporated under the Companies Act, 1956 on 25th September, 1991 with CIN: L72100RJ1991PLC006220. The Company has its registered office at Flat no. 408, Second Floor, Anand Chamber, Baba Harishchandra Marg, Raisar Plaza, Indira Bajar, Jaipur – 302 001, Rajasthan, India . The Company's shares are listed and traded on BSE Limited (BSE).

The Rationale and purpose as per the scheme

The scheme provides for the reduction of the equity share capital of Prem Somani Financial Services Limited pursuant to section 66 of Companies Act 2013 read with National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016.

In view of the accumulated carry forward losses that the Company's Balance Sheet is not reflecting at its actual value and with the future prospect of growth and value addition to the shareholders, the Company has proposed to clean its books thereby enabling the Company to raise future resources considering the expansion programs that has been considered for development would need huge amount of investment both in terms of equity as well as debt.

Continuous losses have substantially wiped off the value represented by the Share Capital thus the financial statements do not reflect the correct picture of the health of the Company. This has given rise to the need to re-align the relation between capital and assets and to accurately and fairly reflect the liabilities and assets of the Company in its books of accounts. The Company has evaluated the effect of this upon the Company's functioning and has carefully examined different options available to the Company.

After detailed deliberations the Board of Directors of the Company is of the view that reduction of capital in accordance with section 66 of Companies Act 2013 read with National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 is the only practical and economically efficient legal option available to the Company. In order to reflect its assets and liabilities at their real value and maximize its business value, the Company proposes to reduce the equity share capital of the Company.

For ensuring that the financial statements of the Company reflect the real picture and the Capital which is lost is not continued to be shown on the face of balance sheet it is necessary to carry out reduction of capital of the Company.

The reduction of Capital in the manner proposed would enable the Company to have a rational capital structure which is commensurate with its remaining business and assets.

The Scheme of Reduction of Share Capital is presented with a view to achieve restructuring of the Company which would result in reducing of the accumulated losses of the Company and improvement in the financial health as more business activities shall be brought into the Company thereby preventing it from becoming a sick company.

The Scheme of Reduction of Share Capital will result in reflecting the financial statements at the actual values which would enhance shareholders value and confidence.

3. Key Features of the Scheme

The key features of the scheme provided to us through Draft Scheme Document are as under:

a) The scheme seeks to reduce or otherwise alter the issued, subscribed and paid-up share capital of the company and the same will therefore remain reduced as a result of the scheme. On the effective date and after securing necessary approvals and permissions the company shall reduce its fully paid up equity share capital from Rs. 3,30,34,000/- (Rupees Three Crore Thirty Lakhs Thirty Four Thousand Only) divided into 33,03,400 (Thirty Three Lakhs Three Thousand Four Hundred) Equity Shares of Rs. 10/- each to Rs. 85, 88, 840/- (Eighty-Five Lakh Eighty-Eight Thousand Eight Hundred Forty only) divided into 8, 58, 884 (Eight Lakh Fifty-Eight Thousand Eight Hundred Eighty-Four) Equity Shares of Rs. 10/- (Rupees ten only) Each/-

b) The accumulated losses of Rs. 2,71,68,622 (Rupees Two Crores Seventy-One Lakhs Sixty-Eight Thousand Six Hundred Twenty-Two Only) will be set off to the extent of the share capital cancelled i.e 74 % of Rs. 3,30,34,000/- (Rupees Three Crore Thirty Lakhs Thirty-Four Thousand Only) which will amount to Rs. 2, 44, 45, 160 (Rupees Two Crore Forty-Four Lakh Forty-Five Thousand One Hundred Sixty Only).

c) Upon the Scheme into effect, with the above reduction of share capital of the Company in accordance with the above clauses, 33, 03, 400 (Thirty-Three Lakh Three Thousand Four Hundred) equity shares having a face value of Rs. 10/-each aggregating 3, 30, 34, 000/- (Rupees Three Crore Thirty Lakh Thirty-Four Thousand Only) shall be reorganized into 8, 58, 884 (Eight Lakh Fifty-Eight Thousand Eight Hundred Eighty-Four) equity shares having a face value of Rs. 10/-each aggregating 85, 88, 840 (Eighty-Five Lakh Eighty-Eight Thousand Eight Hundred Forty only). Consequently, every shareholder of the Company whose name appears in register of members on the record date shall be issued in total 8, 58, 884 (Eight Lakh Fifty-Eight Thousand Eight Hundred Eighty-Four) equity shares of the face value of Rs. 10/- each fully paid up held by them in the Company prior to Scheme.

We have relied upon the draft scheme Document and taken the aforementioned key features (together with the other facts and assumptions set forth therein) into account while determining the meaning of "fairness", from a financial point of view, for the purposes of this Opinion.

4. Exclusions and Limitations

Our opinion and analysis is limited to the extent of review of the valuation report by the valuer and the Draft scheme document. In connection with the opinion, we have

a) Reviewed the Draft Scheme Document and the valuation report by the valuer dated August 25, 2021.

b) Reviewed audited financials for the Company for the year ended March 31, 2021.

c) Held discussions with the valuer, in relation to the approach taken to valuation and the details of various methodologies utilized by them in preparing the valuation report and recommendations

d) Reviewed such other information and explanations as we have required and which have been provided by the management of the Company.

This opinion is intended only for the sole use and information of the Company and in connection with the Scheme, including for the purpose of obtaining judicial and regulatory approvals for the Scheme as also for the purpose of complying with the SEBI regulations and requirement of stock exchanges on which the company is listed, and for no other purpose. We are not responsible in any way to any person/party/statutory authority for any decision of such person or party or authority based on this opinion. Any person/party intending to provide finance or invest in the shares/business of The Company or their subsidiaries /joint ventures/associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.

For the purpose of this assignment, Saffron has relied on the Valuation Certificate for the proposed "Scheme of Capital Reduction" and information and explanation provided to it, the accuracy whereof has not been evaluated by Saffron. Saffron's work does not constitute certification or due diligence of any past working results and Saffron has relied upon the information provided to it as set out in working results of the aforesaid reports.
Saffron has not carried out any physical verification of the assets and liabilities of the companies and takes no responsibility on the identification and availability of such assets and liabilities.

We hereby give our consent to present and disclose the Fairness Opinion in the general meetings of the shareholders of The Company and to the Stock Exchanges and to the Registrar of Companies. Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed scheme of Arrangement with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.

The information contained in this report is selective and is subject to updating, expansions, revisions and amendment, if any. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent. Recipients are advised to independently conduct their own investigation and analysis of the business of the Companies. The report has been prepared solely for

the purpose of giving a fairness opinion on Valuation Certificate issued for the proposed Scheme and may not be applicable or referred to or quoted in any other context.

Our opinion is dependent on the information provided to us being complete and accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. The scope of our assignment does not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. As such we have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to this date.

Our opinion is dependent on the provisional financial statements and is based on the assumption that they have been drawn up in accordance with the applicable Ind AS guidelines and other applicable statutory laws.

One should note that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. We have assumed that the Final Scheme will not differ in any material respect from the Draft Scheme Document shared with us.

We do not express any opinion as to any tax or other consequences that might arise from the Scheme to the company and/ or their respective shareholders, nor does our opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the respective companies have obtained such advice as they deemed necessary from qualified professionals. We have undertaken no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, government investigation or other contingent liabilities.

The company has been provided with an opportunity to review the Draft Opinion as part of our standard practice to make sure that factual inaccuracy/omissions are avoided in our Final Opinion.

Our Opinion in not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Scheme or any matter thereto.

5. Conclusion

Based on and subject to the foregoing, we are of the opinion that the valuation of the Company as detailed by the valuer is fair from the financial point of view.

For Saffron Capital Advisors Private Limited,

Digitally signed
by SAKSHI GUPTA

Sakshi Gupta
Head-Valuation