



**PRERNA INFRABUILD LIMITED**  
**Corporate Identification Number: L65990GJ1988PLC010570**

*Our Company was originally incorporated as “Panchratna Safe Vaults Private Limited” on April 13, 1988 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Our Company name was changed to Prerna Safe vaults Private Limited on October 01, 1992. Subsequently, Our Company was converted in to a public company and consequently name was changed to “Prerna Safe vaults Limited” vide fresh certificate of incorporation dated April 5, 1995 issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Our Company name was changed to Prerna Finsafe Limited on April 17, 1995 and thereafter name was changed to “Prerna Infrabuild Limited” vide fresh certificate of incorporation dated October 19, 2006 issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli.*

**Registered Office:** PRERNA, Survey No. 820/1, In lane of Panchvati Auto, Opp. Anand Dham Derasar, S.G. Road, Ahmedabad-380058, Gujarat, India;

**Tel. No.:** 079-26925653; **Email:** [info@prernagroup.com](mailto:info@prernagroup.com); **Website:** [www.prernagroup.com](http://www.prernagroup.com);

**Contact Person:** Ms. Megha Rajendrakumar Shah, Company Secretary & Compliance Officer

<b>OUR PROMOTERS ARE: MR. VIJAY CHANDULAL SHAH &amp; MR. SANKET VIJAY SHAH</b>	
<b>FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF PRERNA INFRABUILD LIMITED (THE “COMPANY” OR THE “ISSUER”) ONLY</b>	
ISSUE OF UP TO 2,40,85,020 EQUITY SHARES WITH A FACE VALUE OF ₹10 EACH (“RIGHTS EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF [●] EACH INCLUDING A SHARE PREMIUM OF [●] PER RIGHTS EQUITY SHARE (“ISSUE PRICE”) FOR AN AGGREGATE AMOUNT UP TO [●] CRORES ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARES FOR EVERY [●] FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●] DAY, [●] (THE “ISSUE”). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, SEE “TERMS OF THE ISSUE” ON PAGE 182.	
<b>WILFUL DEFAULTER</b>	
Neither our Company nor any of our Promoters or Directors has been categorized as a Willful Defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on Willful Defaulter(s) issued by the Reserve Bank of India.	
<b>GENERAL RISK</b>	
Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of the contents of this Document. Specific attention of investors is invited to the statement of “Risk Factors” on page 21 before making an investment in this Issue.	
<b>ISSUER’S ABSOLUTE RESPONSIBILITY</b>	
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue which is material in the context of the Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.	
<b>LISTING</b>	
The existing Equity Shares are listed on the BSE Limited (“BSE”) (the “Stock Exchange”). Our Company has received ‘in-principle’ approval from the BSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide their letters dated [●], respectively. Our Company will also make an application to the Stock Exchanges to obtain the trading approval for the Rights Entitlements as required under the SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/13) dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is BSE.	
<b>REGISTRAR TO THE ISSUE</b>	<b>BIGSHARE SERVICES PRIVATE LIMITED</b> 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai-400059, Maharashtra. <b>Tel No:</b> 022- 40430200/62638200 <b>E-mail:</b> <a href="mailto:info@bigshareonline.com">info@bigshareonline.com</a> <b>Investor Grievance Email:</b> <a href="mailto:sandeep@bigshareonline.com">sandeep@bigshareonline.com</a> / <a href="mailto:info@prernagroup.com">info@prernagroup.com</a> <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> <b>Contact Person: Mr. SANDEEP</b>

				SEBI Registration No.: INR000001385	
ISSUE PROGRAMME					
ISSUE OPENS ON: [●]	LAST DATE FOR ON MARKET				ISSUE CLOSES ON: [●] #
	RENUNCIATION*				
<p><i>* Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.</i></p> <p><i># Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.</i></p>					

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below, which you should consider when reading the information contained herein.*

*References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Draft Letter of Offer, but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in “Statement of Special Tax Benefits” and “Financial Statements” beginning on pages 54 and 87, respectively, shall have the meaning given to such terms in such sections.*

#### I. GENERAL TERMS

PRERNA INFRABUILD LIMITED/PRERNA INFRABUILD / PIL / The Company/ Company/ We/ Us/ Our/ our Company/ the Issuer Company	Unless the context otherwise indicates or implies refers to PRERNA INFRABUILD LIMITED, a public limited company incorporated under the provisions of the Companies Act, 1956 with its registered office at PRERNA, Survey No. 820/1, Opp. Anand Dham Derasar, S.G. Road, Ahmedabad-380058, Gujarat, India.
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#### II. COMPANY RELATED TERMS

TERM	DESCRIPTION
Act/ Companies Act	The Companies Act, 2013 and Companies Act, 1956 to the extent applicable.
Articles / Articles of Association / AoA	The Articles of Association of our Company, as amended from time to time
Auditor / Statutory Auditor	The statutory auditor of our Company, being Philip Fernandes & Co, Chartered Accountants
Board/ Board of Directors	Board of Directors of our Company, including any committees thereof
Chairman	Chairman of our Company, being Mr. Vijay Chandulal Shah
Managing Director	Managing Director of our Company, being Mr. Sanket V. Shah
Chief Financial Officer	Chief financial officer of our Company, being Mr. Sanket V. Shah
Company Secretary & Compliance Officer	Company Secretary & Compliance Officer of our Company in this case being, Ms. Megha Rajendrakumar Shah
Corporate Promoters	The Company does not have any Corporate Promoters
Director(S)	The director(s) on the Board of our Company, unless otherwise specified
Equity Shareholder	A holder of Equity Shares
Equity Shares	The equity shares of our Company of a face value of ₹ 10 each, unless otherwise specified in the context thereof.
ESOS	PRERNA INFRABUILD LIMITED does not have any Stock Option Scheme with its employees
Group Companies	Perna Infrabuild - Subsidiary Partnership Firm as Perna Solitaire Infra Llp – Associate are the Promoter Group Company of our Company, as determined in terms of the SEBI ICDR Regulations.
Independent Director(s)	The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act and Regulation 16(1)(b) of the SEBI Listing Regulations.
Key Management Personnel / KMP	Key management/ managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and as described in “Our Management – Key Managerial Personnel” on page no. 76
Memorandum / Memorandum of Association / MoA	Memorandum of association of our Company, as amended from time to time
Promoter(s)	The Promoters of our Company, Viz., Mr. Vijay Chandulal Shah, Mr. Sanket



	Vijay Shah, Mrs. Nalini Vijay Shah, , Mr. Niyati Sanket Shah And Mrs. Swetal Vijay Shah
Promoter Group	Sanket Vijay Shah Huf, Vijay Chandulal Shah Huf
Registered Office	The registered office of our Company located at PRERNA, Survey No. 820/1, Opp. Anand Dham Derasar, S.G. Road, Ahmedabad-380058, Gujarat, India.
Registrar of Companies/ RoC	The Registrar of Companies situated at ROC Bhavan, Opp Rupalben Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat, India
Shareholders / Equity Shareholder	The equity shareholders of our Company, from time to time
Statutory Auditors	The current statutory auditors of our Company, Viz., Philip Fernandes & Co, Chartered Accountants
Subsidiaries	Our Company has Prerna Solitaire Infra Llp as Subsidiary as on this date of filing of this Draft Letter of Offer.

### III. ISSUE RELATED TERMS

TERM	DESCRIPTION
Abridged Letter of Offer / ALOF	The abridged letter of offer to be sent to the Eligible Equity Shareholders of our Company with respect to this Issue in accordance with the SEBI ICDR Regulations and the Companies Act.
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement
Allot / Allotted / Allotment	Unless the context otherwise requires, the allotment of Rights Equity Shares pursuant to the Issue.
Allotment Accounts	The accounts opened with the Bankers to this Issue, into which the Application Money lying credit to the Escrow Account and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act.
Allotment Account Bank	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, [●].
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the issue.
Allotment Date	Date on which the Allotment is made pursuant to this Issue.
Allottee(s)	Persons to whom the Rights Equity Shares are Allotted pursuant to the Issue
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncees who are entitled to make an application for the Equity Shares in terms of this Draft Letter of Offer.
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form (including online application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price
Application Supported by Blocked Amount / ASBA	The application (whether physical or electronic) used by an Applicant(s) to make an application authorizing the SCSB to block the amount payable on application in their ASBA Account maintained with such SCSB.
ASBA Account	An account maintained with an SCSB and as specified in the Application Form or plain paper Application, as the case may be, by the Applicant for blocking the amount mentioned in the Application Form or in the plain paper Application
ASBA Applicant / ASBA Investor	Applicant/Investor proposing to subscribe to the Issue authorizing the SCSB to block the amount payable on application in their ASBA Account maintained with such SCSB

ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020.
Banker(s) to the Company	PRERNA INFRABUILD LIMITED is having banking operations with Bank of Maharashtra And HDFC Bank
Banker(s) to the Issue/ Escrow Collection Bank	Collectively, Escrow Collection Bank, Allotment Account Bank and the Refund Bank, in this case being [●]
Banker to the Issue Agreement	Agreement dated [●] to be entered into by and among our Company, the Registrar to the Issue, the Advisor to the Issue and the Banker(s) to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in consultation with the Designated Stock Exchange in this Issue, as described in "Terms of the Issue" on page no. 182.
Call	The notice issued by our Company to the holders of the Rights Equity Shares as on the Call Record Date for making a payment of the Call Monies.
Call Monies	The balance amount payable by the holders of the Rights Equity Shares pursuant to the Payment Schedule of Rights Equity Shares, being [●] per Rights Equity Share after payment of the Application Money. For further details, see "Terms of Issue" beginning on page 182.
Call Record Date	A record date fixed by our Company for the purpose of determining the names of the holders of Rights Equity Shares for the purpose of issuing of the Call.
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	Details of Investors including the Investor's address, name of the Investor's father/ husband, investor status, occupation and bank account details, where applicable
Designated Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper Application, as the case may be, from the ASBA Investors and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE Limited
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996
Draft Letter of Offer / DLOF	The Draft Letter of Offer dated February 7, 2023
Eligible Equity Shareholder(s)	Existing Equity Shareholders as on the Record Date, i.e. [●]. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see "Notice to Investors" on page 12.
"Escrow Collection Bank", "Allotment Account Bank(s)" or "Refund Bank(s)"	One or more no-lien and non-interest-bearing accounts with the Escrow Collection Bank for the purposes of collecting the Application Money from resident Investors.
Escrow Collection Bank	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the Escrow Account will be opened, in this case being, [●]
General Corporate Purposes	General Corporate Purposes General corporate purposes shall have the meaning as determined in Regulation 2(1)(r) of the SEBI ICDR Regulations.
GIR	General Index Registrar
IEPF	Investor Education and Protection Fund
Investor(s)	Eligible Equity Shareholder(s) of our Company on the Record Date, being [●] and the Renouncee(s)
Issue / Rights Issue	Issue of up to 2,40,85,020 equity shares with a face value of ₹10 each ("rights

	equity shares”) of our company for cash at a price of [●] each including a share premium of [●] per rights equity share (“issue price”) for an aggregate amount up to Rs. [●] crores* on a rights basis to the existing equity shareholders of our company in the ratio of [●] Right equity shares for every [●] Fully paid-up equity shares held by the existing equity shareholders on the record date, that is on [●] day, [●] (the “issue”). The issue price for the rights equity shares is [●] Times the face value of the equity shares. *Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares.
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	[●] per Rights Equity Share
Issue Proceeds	The gross proceeds raised through the Issue
Issue Size	Issue of up to 2,40,85,020 Rights Equity Shares aggregating to an amount up to ₹ [●] Crores*.  *Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares.
Letter of Offer / LOF	This Letter of Offer dated [●] filed with the Stock Exchanges and SEBI and includes any addenda or corrigenda thereto.
Material Subsidiaries	Following company have been identified by our Company based on the materiality threshold adopted by our Board under SEBI Listing Regulations as Material Subsidiaries; Our Company does not have any Material Subsidiaries as of now.
MCA Circulars	General Circular No. 21/2020 dated May 11, 2020 issued by the Ministry of Corporate Affairs, Government of India, read with the circular dated August 3, 2020
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application.
Net Proceeds	Issue Proceeds less the Issue-related expenses. For details, see “Objects of the Issue” on page 52.
Non-Institutional Investor(s) / NII	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
On Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI – Rights Issue Circulars, circulars issued by the Stock Exchanges from time to time and other applicable laws, on or before [●]
Off Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI – Rights Issue Circulars, circulars issued by the Depositories from time to time and other applicable laws.
QIBs / Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Record Date	Designated date for the purpose of determining the Shareholders eligible to apply for the Rights Equity Shares in the Issue, being, [●].
Refund Bank	The Bankers to the Issue with whom the refund account will be opened, in this case being [●]
Registrar / Registrar to the Company and Issue/RTA	Registrar / Registrar to the Company being Bigshare Services Private Limited
Registrar Agreement to Issuer	Agreement dated [●] entered into between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation either through On Market Renunciation or

	through Off Market Renunciation in accordance with the SEBI ICDR Regulations, the SEBI – Rights Issue Circular, the Companies Act and any other applicable law
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●], in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through Off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
Retail Individual Investor / RII	An individual Investor who has applied for Rights Equity Shares for an amount not more than ₹ 200,000 (including an HUF applying through karta) in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
Rights Entitlements/ REs	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to his / her shareholding in our Company as on the Record Date, being [●] RIGHTS Equity Shares for every [●] Equity Shares held by the Eligible Equity Shareholder on the Record Date.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
Rights Equity Shares / Rights Shares	Equity Shares of our Company having a face value of Rs. 10 per share and to be Allotted pursuant to the Issue.
SEBI Relaxation Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, read with SEBI circulars bearing reference numbers SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021
SEBI Rights Issue Circulars	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, and SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and the SEBI Relaxation Circulars
Self-Certified Syndicate Banks / SCSBs	Banks which are registered with the SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, and offer services of ASBA, and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a>
Stock Exchanges	BSE where the Equity Shares are presently listed.
Transfer Date	The date on which the Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter	An entity or person categorised as a willful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(III) of the SEBI ICDR Regulations.
Working Day	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai and Ahmedabad are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai and Ahmedabad are open for business. Furthermore, for the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI.

#### IV. CONVENTIONAL AND GENERAL TERMS OR ABBREVIATIONS

TERM	DESCRIPTION
₹/ Rs./ Rupees/ INR	Indian Rupees
A/c	Account
AGM	Annual General Meeting
AIF	Alternative investment fund, as defined and registered with SEBI under the

	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
ASBA Circulars	Collectively, SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
Bn	Billion
BSE	BSE Limited
CAGR	Compounded annual growth rate
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIN	Corporate Identity Number
Companies Act	erstwhile Companies Act, 1956, and new Companies Act, 2013 and the rules made thereunder
Competition Act	Competition Act, 2002
Consolidated FDI Policy	Consolidated FDI Policy dated October 15, 2020 issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India.
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Depository Participant / DP	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
DP ID	Depository Participant's Identification Number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary general meeting
EPS	Earnings per Share
ERP	Enterprise Resource Planning
Exchange Information	Collectively constitutes and includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with press releases, announcements, investor education presentations and annual reports.
FCNR Account	Foreign Currency Non-Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Rule	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial year/ FY / Fiscal	Period of 12 (twelve) months beginning April 1 and ending March 31 of that particular year, unless otherwise stated
Foreign Portfolio Investor / FPI	Foreign portfolio investor as defined under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors registered under the FVCI Regulations FVCI Regulations
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GDP	Gross Domestic Product
Government / GoI	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
Ind AS	Indian accounting standards prescribed under Section 133 of the Companies Act,

	as notified under the Companies (Indian Accounting Standards) Rules, 2015
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
Income-tax Act / I.T. Act / IT Act	Income-tax Act, 1961
I. T. Rules	Income Tax Rules, 1962
India	Republic of India
IPO	Initial public offering
ISIN	International Securities Identification Number allotted by the depository
IT / IT Act	Information Technology, Information Technology Act, 2000
Listing Agreements	Equity listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations read along with SEBI Circular No. CIR/CFD/CMD/3336/2015 dated October 13, 2015
LLP	Limited Liability Partnership
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic ink character recognition
Mn.	Million
MoU	Memorandum of Understanding
Mutual Fund	Mutual fund registered with SEBI under the SEBI (Mutual Fund) Regulations, 1996.
NA / N.A.	Not Applicable
NACH	National Automated Clearing House which is a consolidated system of ECS
NAV	Net asset value
NCLT	National Company Law Tribunal
NCLAT	National Company Law Appellate Tribunal
NEFT	National Electronic Fund Transfer
Net Worth	The aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
NI Act	Negotiable Instruments Act, 1881
NSDL	National Securities Depositories Limited
NR / Non-Resident	A person resident outside India, as defined under the FEMA
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NRI	A person resident outside India as Non-Resident Indian, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NSE	National Stock Exchange of India Limited
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA.
OCI	Overseas Citizen of India
p.a.	Per Annum
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
P/E Ratio	Price / Earnings Ratio
PIO	Persons of Indian Origin
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Registered Foreign Portfolio Investors / Foreign Portfolio	Foreign portfolio investors as defined under the SEBI FPI Regulations

Investors / FPIs	
Regulation S	Regulations S under the Securities Act
RTGS	Real Time Gross Settlement
RONW	Return on Net Worth
SCORES	SEBI Complaints Redress System
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India, constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI PIT Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SDR	Strategic Debt Restructuring
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
STT	Securities Transaction Tax
State Government	Government of a state of India
TAN	Tax Deduction Account Number
Trade Marks Act	Trademarks Act, 1999
UAE	United Arab Emirates
U.S.	United States of America
USD	United States Dollar
U. S. QIB	A qualified institutional buyer as defined in Rule 144A under the Securities Act
US Securities Act	United States Securities Act of 1933
VCF	A venture capital fund (as defined and registered with SEBI under the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996.
YoY	Year on Year

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, the Securities Contracts (Regulation) Act, 1956, the SEBI ICDR Regulations, the Depositories Act and the rules and regulations made thereunder.

## **NOTICE TO INVESTORS**

The distribution of this Draft Letter of Offer and the issue of the Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the CAF may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and CAF to Eligible Equity Shareholders who have an address in India. Those overseas Shareholders who do not update the records with their Indian address, prior to the date on which we propose to dispatch the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF, shall not be sent the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer was filed with BSE for its observations. Accordingly, the Rights Equity Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Receipt of the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and in those circumstances the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute in or send the same into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF. Envelopes containing a CAF should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares in this Issue must provide an Indian address. Any person who makes an application to acquire Rights Entitlement and the Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that he is authorised to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. We, the Registrar, the Lead Manager or any other person acting on behalf of us, reserve the right to treat any CAF as invalid where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF. A Shareholder may not renounce his entitlement to any person resident in the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. Neither the delivery of the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to this date.

The contents of the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer should not be construed as legal, tax or investment advice. Prospective Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares or Rights Entitlements. As a result, each Investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of Rights Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager is making any representation to any offeree or purchaser of the Rights Equity Shares or Rights Entitlements regarding the legality of an investment in the Rights Equity Shares or Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.

### **NO OFFER IN THE UNITED STATES**

The Rights Equity Shares or Rights Entitlements have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF. Any representation to the contrary is a criminal offence in the United States.

The rights and securities of our Company, including the Rights Equity Shares have not been and will not be registered under the United States Securities Act, 1933, as amended (Securities Act), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (United States or U.S.) or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (Regulation S), except in a transaction exempt from the registration



requirements of the Securities Act. The rights referred to in the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF are being offered in India, but not in the United States. The offering to which the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights. Accordingly, the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF should not be forwarded to or transmitted in or into the United States at any time. Neither our Company nor the Lead Manager nor any person acting on their behalf will accept subscriptions from any person or his agent, if to whom an offer is made, would require registration of this Letter of Offer with the United States Securities and Exchange Commission.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is, either a U.S. person (as defined in Regulation S) or otherwise in the United States when the buy order is made. Envelopes containing CAF should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer, and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of the Rights Equity Shares in India. Our Company is making this issue of Rights Equity Shares on a rights basis to the Equity Shareholders of our Company and the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and CAF will be dispatched to Equity Shareholders who have an Indian address. Any person who acquires rights and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed, (i) that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made, (ii) it is not a U.S. person (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States, and (iii) is authorized to acquire the rights and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat as invalid any CAF which: (i) does not include the certification set out in the CAF to the effect that the subscriber is not a U.S. person (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the rights and the Rights Equity Shares in compliance with all applicable laws and regulations; (ii) appears to our Company or its agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF.

## **CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION, MARKET DATA AND CURRENCY OF PRESENTATION**

### **Certain Conventions**

In this Letter of Offer, the terms “we”, “us”, “our”, the “Company”, “our Company”, unless the context otherwise indicates or implies, refers to PRERNA INFRABUILD LIMITED.

### **Financial Data**

Unless stated otherwise, the financial data in this Letter of Offer is derived from the audited Financial Statements of our Company for the period ended 9 months period ended December 31, 2022 and Financial Years ended March 31, 2022, 2021 and 2020 which have been prepared in accordance with Indian Accounting Standard (Ind AS) and are included in this Letter of Offer. The financial year of our Company commences on April 1 and ends on March 31.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Unless the context otherwise indicates, any percentage amounts, as set forth in the sections titled “Risk Factors” have been calculated on the basis of the Financial Statements of our Company prepared in accordance with Ind AS and the Companies Act, 2013.

### **Currency and Units of Presentation**

In this Letter of Offer, unless the context otherwise requires, all references to (a) ‘Rupees’ or ‘₹’ or ‘Rs.’ or ‘INR’ are to Indian rupees, the official currency of the Republic of India; (b) ‘US Dollars’ or ‘US\$’ or ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America. All references to the word ‘Lakh’ or ‘Lac’ or ‘Lacs’, means ‘One hundred thousand’ and the word ‘Million’ means ‘Ten lakhs’ and the word ‘Crore’ means ‘Ten Million’ and the word ‘Billion’ means ‘One thousand Million’. Any percentage amounts, as set forth in “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Conditions and Results of Operation” and elsewhere in this Letter of Offer, unless otherwise indicated, have been calculated based on our Restated Financial Statements.

### **Exchange Rates**

This Draft Letter of Offer does not contain conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

### **Market and Industry Data**

Unless stated otherwise, industry and market data used in this Draft Letter of Offer have been obtained or derived from publicly available information. Publicly available Information generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe that industry data used in this Draft Letter of Offer is reliable, it has not been independently verified and neither we, nor any of our affiliates, jointly or severally, make any representation as to its accuracy or completeness. The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in the section “Risk Factors” beginning on page 21 of this Draft Letter of Offer.

### Conversion rates for foreign currency

This Letter of Offer contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

**(Rs. per unit of Foreign Currency)**

<b>Name of Currency</b>	<b>As on Dec. 31, 2022</b>	<b>31-03-2022</b>	<b>31-03-2021</b>	<b>31-03-2020</b>
U.S. Dollar	82.7544	75.9052	73.2035	73.3250

Source: <https://www.poundsterlinglive.com/>

## FORWARD LOOKING STATEMENTS

Our Company has included statements in this Letter of Offer which contain words or phrases such as ‘anticipate’, ‘believe’, ‘continue’, ‘can’, ‘could’, ‘estimate’, ‘expect’, ‘expected to’, ‘future’, ‘intend’, ‘is likely’, ‘may’, ‘objective’, ‘plan’, ‘potential’, ‘project’, ‘pursue’, ‘shall’, ‘should’, ‘will’, ‘will continue’, ‘would’, or other words or phrases of similar import. Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements. However, these are not the exclusive means of identifying forward looking statements. Forward-looking statements are not guarantees of performance and are based on certain assumptions, future expectations, describe plans and strategies, contain projections of results of operations or of financial condition or state other forward-looking information. All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements.

Forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results to differ materially from our Company’s expectations include, among others:

- Uncertainty of the continuing impact of the COVID-19 pandemic on our business and operations;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various business plans;
- Any failure or disruption of our information technology system;
- Increasing competition in or other factors affecting the industry segments in which our Company operates;
- Changes in laws and regulations relating to the industries in which we operate;
- Fluctuations in operating costs and impact on the financial results;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in other countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices; and
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section titled “Risk Factors” beginning on page 21 of this Draft Letter of Offer. By their very nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact or net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections.

Whilst we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements.

In any event, these statements speak only as of the date of this Draft Letter of Offer or the respective dates indicated in this Draft Letter of Offer, and our Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of our Company’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward- looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

In accordance with SEBI / Stock Exchange requirements, our Company will ensure that Investors are informed of material developments until the time of the grant of listing and trading permission for the Rights Equity Shares by the Stock Exchange.

## SUMMARY OF THIS DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to prospective investors. This summary should be read in conjunction with and is qualified by, the more detailed information appearing in this Draft Letter of Offer, including the sections titled “Risk Factors”, “Objects of the Issue”, “Industry Overview”, “Our Business”, “Financial Statements”, “Outstanding Litigation and Defaults”, “Terms of the Issue” on pages 21, 52, 62, 62, 74, 169 and 182, respectively.

### Summary of our Business

The Prerna Infrabuild Limited Group was established in 1988 out of a desire to demonstrate economic self-sufficiency and excellence within Gujarat. Vijay C Shah is the Founder of Prerna Infrabuild Limited. The Prerna Infrabuild Limited comprises a business portfolio that includes real estate Development. We believe businesses should be conducted in a fair and transparent manner. Prerna Infrabuild Limited corporate governance framework ensures effective engagement with various stakeholders helping us evolve with changing times. The framework oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders including regulators, employees, customers, vendors, investors and society at large.

Our company has been focusing on The Real Estate Infrastructure specialization by creating and maintaining places for living, working, shopping, learning, recreation and culture, and the critical accompanying support systems ranging from mobility and logistical networks, to utilities and energy supply. The overarching theme of the specialization is stewardship – of both the environment and of capital.

Essential skills are built around the primary activities of evaluating investment opportunities, matching risk and reward, acquiring, developing and operating real assets, financing capital projects, and leadership of business enterprises.

In an industry that comprises the largest sector of GDP growth, this high-demand specialization provides real-world experiential skills connected to current industry realities.

For further details, see “*Business Overview*” on page 62.

### Summary of Industry

#### Introduction

The real estate sector is one of the most globally recognized sectors. It comprises of four sub-sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth in the corporate environment and the demand for office space as well as urban and semi-urban accommodation. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

In India, the real estate sector is the second-highest employment generator, after the agriculture sector. It is also expected that this sector will incur more non-resident Indian (NRI) investment, both in the short term and the long term. Bengaluru is expected to be the most favoured property investment destination for NRIs, followed by Ahmedabad, Pune, Chennai, Goa, Delhi and Dehradun.

#### Market Size

Indian real estate sector has witnessed high growth in the recent times with rise in demand for office as well as residential spaces. According to Colliers India, a property consultant, institutional investments in the Indian real estate sector are expected to increase by 4% to reach Rs. 36,500 crore (US\$ 5 billion) in 2021, driven by rising interest of investors towards capturing attractive valuations amid the pandemic. According to a recent report by Colliers India, private equity investments in Indian real estate reached US\$ 2.9 billion in the first half of 2021, which was a >2x increase from the first half in 2020.

In July 2021, the Securities and Exchange Board of India lowered the minimum application value for Real Estate Investment Trusts from Rs. 50,000 (US\$ 685.28) to Rs. 10,000-15,000 (US\$ 137.06 - US\$ 205.59) to make the market more accessible to small and retail investors.

FDI in the sector (including construction development & activities) stood at US\$ 55.18 billion from April 2000-September 2022.

#### Investments/ Developments

Indian real estate sector has witnessed high growth in the recent times with rise in demand for office as well as residential spaces. According to Colliers India, a property consultant, institutional investments in the Indian real estate sector are expected to increase by 4% to reach Rs. 36,500 crore (US\$ 5 billion) in 2021, driven by rising interest of investors towards capturing attractive valuations amid the pandemic. According to a recent report by Colliers India, private equity investments in Indian real estate reached US\$ 2.9 billion in the first half of 2021, which was a >2x increase from the first half in 2020.

Exports from SEZs reached Rs. 7.96 lakh crore (US\$ 113.0 billion) in FY20 and grew ~13.6% from Rs. 7.1 lakh crore (US\$ 100.3 billion) in FY19.

In July 2021, the Securities and Exchange Board of India lowered the minimum application value for Real Estate Investment Trusts from Rs. 50,000 (US\$ 685.28) to Rs. 10,000-15,000 (US\$ 137.06 - US\$ 205.59) to make the market more accessible to small and retail investors.

FDI in the sector (including construction development & activities) stood at US\$ 55.18 billion from April 2000-September 2022.

### **Road Ahead**

The Securities and Exchange Board of India (SEBI) has given its approval for the Real Estate Investment Trust (REIT) platform, which will allow all kind of investors to invest in the Indian real estate market. It would create an opportunity worth Rs. 1.25 trillion (US\$ 19.65 billion) in the Indian market in the coming years. Responding to an increasingly well-informed consumer base and bearing in mind the aspect of globalisation, Indian real estate developers have shifted gears and accepted fresh challenges. The most marked change has been the shift from family-owned businesses to that of professionally managed ones. Real estate developers, in meeting the growing need for managing multiple projects across cities, are also investing in centralised processes to source material and organise manpower and hiring qualified professionals in areas like project management, architecture and engineering.

The residential sector is expected to grow significantly, with the central government aiming to build 20 million affordable houses in urban areas across the country by 2022, under the ambitious Pradhan Mantri Awas Yojana (PMAY) scheme of the Union Ministry of Housing and Urban Affairs. Expected growth in the number of housing units in urban areas will increase the demand for commercial and retail office space.

The current shortage of housing in urban areas is estimated to be ~10 million units. An additional 25 million units of affordable housing are required by 2030 to meet the growth in the country's urban population.

The growing flow of FDI in Indian real estate is encouraging increased transparency. Developers, in order to attract funding, have revamped their accounting and management systems to meet due diligence standards. Indian real estate is expected to attract a substantial amount of FDI in the next two years with US\$ 8 billion capital infusion by FY22.

Source: <https://www.ibef.org/industry/real-estate-india>

For further details, see “*Industry Overview*” on page 62.

### **Name of the Promoters**

Following are promoters of our group:-

<b>S No.</b>	<b>Name of Promoters</b>
<b>1.</b>	Vijay Chandulal Shah
<b>2.</b>	Sanket Vijay Shah
<b>3.</b>	Nalini Vijay Shah
<b>4.</b>	Sanket Vijay Shah Huf
<b>5.</b>	Vijay Chandulal Shah Huf
<b>6.</b>	Niyati Sanket Shah
<b>7.</b>	Swetal Vijay Shah

## Objects of the Issue

Our Company intends to utilize the Net Proceeds raised through the Issue towards the following objects:

(Rs. In Lakhs)	
Particulars	Amount
To meet Working Capital requirement of the Company.	4600.004
General corporate purposes	167.000
Issue related expenses	50.000
<b>Total Issue Proceeds</b>	<b>4817.004</b>

For further details, see “*Objects of the Issue*” on page 52.

## Intention and extent of participation by our Promoters and Promoter Group

Pursuant to letter dated January 25, 2023 Mr. Sanket V. Shah (“Subscription Letter”), has confirmed that he along with other Promoters and certain members of Promoter Group of our Company, intention to subscribe, jointly and / or severally, to the full extent of their Rights Entitlements (including through subscription of any Rights Entitlements renounced in their favour by any other Promoter or member(s) of the Promoter Group of our Company).

Further, our Promoters and certain members of the Promoter Group also reserve the right to apply for, subscribe to Additional Rights Equity Shares, over and above their Rights Entitlements (including unsubscribed portion of the Issue, if any) for ensuring minimum subscription in the Issue as required under the SEBI ICDR Regulations, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations.

The acquisition of Additional Rights Equity Shares by our Promoters and members of our Promoter Group, over and above their Rights Entitlements, if any, shall not result in a change of control of the management of our Company and shall be in accordance with provisions of the SEBI SAST Regulations and in case if acquisition of Rights Equity Shares by our Promoters and our Promoter Group, over and above their Rights Entitlements triggers open offer obligation under SEBI SAST Regulations, our Promoters and our Promoter Group shall comply with the same. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

## Summary of Financial Information

The following table sets forth summary financial information derived from the Audited Financial Statements of the Company. The financial information as of and for the period ended on December 31, 2022 and the Audited Financial Statements as of and for the financial year ended March 31, 2022, March 31, 2021 and March 31, 2020.

(Rs. in Lakhs)				
Particulars	December 31, 2022 @	As at and for the year ended March 31,		
		2022	2021	2020
Equity Share Capital	1204.25	1204.25	1204.25	1204.25
Net Worth	4541.52	3836.6	3249.61	3263.91
<b>Total Income</b>	<b>5745.5</b>	<b>5040.85</b>	<b>4453.86</b>	<b>4468.6</b>
<b>Profit/ (Loss) after tax</b>	<b>704.92</b>	<b>586.99</b>	<b>-14.30</b>	<b>0.77</b>
Basic & Diluted EPS (in ₹)	5.85	4.87	-0.12	0.01
Net asset value per Equity Share (in ₹)	0.04	0.03	0.03	0.03
Total borrowings #	2059.36	85.43	325.06	466.63

@ Not annualized

# consists of borrowings under current liabilities

## Qualifications of the Auditors

There are no qualifications, reservations and adverse remarks made by our Statutory Auditors in their report which requires any adjustment to audited standalone financial statements of the Company for the financial year 2021-22, 2020-21 and 2019-20.

## Contingent Liabilities

For details regarding our contingent liabilities, please refer to page no. 153 of the “*Financial Statements*” on page 74.

### **Related Party Transactions**

For details of our related party transactions as per Ind AS 24, please refer to page no. 153 of the see “*Financial Statements*” on page 74.

### **Financing Arrangements**

There have been no financing arrangements whereby our Promoter, members of our Promoter Group, our Directors or their relatives have financed the purchase by any other person of securities of the Company, other than in the normal course of financing entity during the period of six months immediately preceding the date of this Draft Letter of Offer.

### **Issuance of Equity Shares for consideration other than cash in the last one year**

Our Company has not issued Equity Shares for consideration other than cash during the period of one year preceding the date of this Draft Letter of Offer.

### **Summary of Outstanding Litigations**

For further details on outstanding legal proceedings involving our Company and our Subsidiaries as on the date of this Draft Letter of Offer, see “*Outstanding Litigations and Defaults*” beginning on page 168 this Draft Letter of Offer.

### **Risk Factors**

For details of the risks applicable to us, including to our business, the industry in which we operate and our Equity Shares, see “*Risk Factors*” on page 21.

### **Any split/consolidation of equity shares in the last one year**

Our Company has not done any split or consolidation of Equity Shares during the last one year from the date of filing this Draft Letter of Offer.



## SECTION II – RISK FACTORS

*An investment in equity shares involves a high degree of risk. Prospective Investors should carefully consider all the information disclosed in this Draft Letter of Offer, including the risks and uncertainties described below and the “Financial Statements” on page 74, before making an investment in the Equity Shares. The risks described below are not the only risks relevant to us or the Equity Shares or the industries in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, cash flows, prospects, results of operations and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with “Our Business”, “Industry Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 63, 62 and 156, respectively, as well as the other financial information included in this Draft Letter of Offer. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business, cash flows, prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below.*

*However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Issue. The following factors have been considered for determining the materiality: (1) some events may not be material individually but may be found material collectively; (2) some events may have material impact qualitatively instead of quantitatively; and (3) some events may not be material at present but may have material impact in future.*

*This Draft Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Letter of Offer. Any potential investor in, and purchaser of, the Equity Shares should pay particular attention to the fact that our Company is an Indian company and is subject to a legal and regulatory environment which, in some respects, may be different from that which prevails in other countries. For further information, see “Forward Looking Statements” on page 16.*

*Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Audited Financial Statements and Unaudited Financial Results included in this Draft Letter of Offer. For further information, see “Financial Statements” on page 74. In this section, unless the context otherwise requires, a reference to “our Company” is a reference to PRERNA INFRABUILD LIMITED on a standalone basis, while any reference to “we”, “us”, is a reference to PRERNA INFRABUILD LIMITED on a consolidated basis.*

1. The novel coronavirus (Covid-19) pandemic outbreak and steps taken to control the same have significantly impacted our business, results of operations, financial condition and cash flows and further impact will depend on future developments, which are highly uncertain.

The rapid and diffused spread of COVID-19 and global health concerns relating to this outbreak have had a severe negative impact on all businesses, including the insulation, packaging and construction industry in which our Company operates and from where it derives substantial revenues and profits. The COVID-19 pandemic could continue to have an impact that may worsen for an unknown period of time. In view of the onslaught of multiple waves of the virus and the forecast of other waves, this pandemic may continue to cause unprecedented economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe.

2. Political instability or changes in the Government or Government policies could impact the liberalization of the Indian economy and adversely affect economic conditions in India generally.

The performance and growth of our Company is dependent on the health of the Indian economy and more generally the global economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. As a

result, our business and the market price and liquidity of the Equity Shares may be affected by such economic and / or political changes. While the current Government is expected to continue the liberalization of India's economic and financial sectors and deregulation policies, there can be no absolute assurance that such policies will be continued. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India generally and specifically have an adverse effect on the operations of our Company.

3. Natural disasters and other disruptions could adversely affect the Indian economy and could cause our business and operations to suffer and the trading price of our Equity Shares to decrease.

Our operations, may be damaged or disrupted as a result of natural disasters such as earthquakes, floods, heavy rainfall, epidemics, tsunamis and cyclones and other events such as protests, riots and labour unrest. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations which may affect our manufacturing processes. Damage or destruction that interrupts our production could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our infrastructure. We may also be liable to our customers for disruption in supply resulting from such damage or destruction. Our insurance coverage for such liability may not be sufficient. Any of the above factors may adversely affect our business, our financial results and the price of our Equity Shares.

4. Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of investor confidence and adversely affect our business, prospects, results of operations and financial condition.

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade as well as the worldwide financial markets. The Asian region has from time-to-time experienced instances of civil unrest and hostilities among neighbouring countries which may persist and occur in the future. Military activity or terrorist attacks in India may result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. Events of this nature in the future, as well as social and civil unrest within other countries in the World, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.

5. Investing in securities that carry emerging market risks can be affected generally by volatility in the emerging markets. The markets for securities bearing emerging market risks, such as risks relating to India, are, to varying degrees, influenced by economic and securities market conditions in other emerging market countries. Although economic conditions differ in each country, investors' reactions to developments in one country may affect securities of issuers in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India, which could adversely affect the Indian financial sector in particular. Any such disruption could have an adverse effect on our Company's business, future financial performance, financial condition and results of operations, and affect the price of the Equity Shares. Accordingly, the price and liquidity of the Equity Shares may be subject to significant fluctuations, which may not necessarily be directly or indirectly related to our financial performance.

6. *If we are unable to collect our receivables from our clients, our results of operations and cash flows could be adversely affected.*

As of December 31, 2022, we had trade receivables of Rs. 34 Lakhs which were outstanding for a period less than six months. Our business depends on our ability to successfully obtain payment from our customer(s) for our products sold to them.

We typically bill and collect on relatively short cycles and maintain provisions against receivables and unbilled services. Actual losses on client balances could differ from those that we currently anticipate and as a result we might need to adjust our provisions. Macroeconomic conditions could also result in financial difficulties,

including insolvency or bankruptcy, for our clients, and as a result could cause clients to delay payments to us, request modifications to their payment arrangements that could increase our receivables balance or working capital requirements, or default on their payment obligations to us.

Recovery of our receivables and timely collection of client balances also depends on our ability to complete our contractual commitments and bill and collect our contracted revenues. If we are unable to meet our contractual requirements, we might experience delays in collection of and/or be unable to collect our client balances, and if this occurs, our results of operations and cash flows could be adversely affected. In addition, if we experience an increase in the time to bill and collect for our services, our cash flows could be adversely affected.

7. ***As the securities of our Company are listed on Stock Exchange in India, our Company is subject to certain obligations and reporting requirements under the SEBI Listing Regulations. Any non-compliances/ delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.***

The Equity Shares of our Company are listed on BSE and therefore we are subject to the obligations and reporting requirements prescribed under the SEBI Listing Regulations. Our Company endeavours to comply with all such obligations/ reporting requirements any delay in complying with the same may result in the Stock Exchanges and/or SEBI imposing penalties, issuing warnings and show cause notices against us and/or taking actions as provided under the SEBI Act / Rules and Regulations / Circulars made there under. Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares. However, there have been no delays compliance with the SEBI Listing Regulations or inadvertent errors in secretarial records and filings for the past 12 months and therefore, this Draft Letter of Offer is prepared and submitted in terms of Part B-1 of Schedule VI to the SEBI ICDR Regulations.

8. ***Our Company operates under several statutory and regulatory permits, licenses and approvals. Our failure to obtain and/or renew any approvals or licenses in future may have an adverse impact on our business operations.***

Our Company requires several statutory and regulatory permits, licenses and approvals to operate the business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Further, these permits, licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant permits/ licenses/ approvals. Failure by our Company to renew, maintain or obtain the required permits, licenses or approvals, or cancellation, suspension or revocation of any of the permits, licenses or approvals which may result in the interruption of our Company's operations and may have a material adverse effect on the business. For details please refer to Chapter titled "Government and Other Statutory Approvals" beginning on page no.172 of the Draft Letter of Offer.

9. ***Our Company doesn't own the premises where its registered and corporate office is situated and leave & license agreement have been executed for the same. Any termination or dispute in relation to these lease/ rental agreement may have an adverse effect on our business operations and results thereof.***

Our Registered and Corporate office is situated At Prerna' Survey no 820/1, In Lane Of Panchvati Auto Opp Anand Dham Derasar, S.G. Road Ahmedabad 380058 Gujarat is given on leased voluntarily by our Director for the period of 36 months on lease owned by our Director who are also of the Promoters of our Company. Our business operations are also conducted from the said premises. As per the leave & license agreement the lease is for a period of 36 months and any non-compliance by us in relation to any term of lease may result in the termination of the leave & license agreement and consequently we have to vacate the said premises. We also cannot assure you that lessor will not terminate the leave & license agreement, which would require us to locate to another premise and may have an adverse effect on our conducting our business operations.

10. Our operations are subject to varied business risks and our insurance cover may prove inadequate to cover our economic losses. Our operations are subject to various risks which may adversely affect revenue generation and profitability. While we believe that we have taken adequate safeguards to protect our assets from various

risks inherent in our business, including by purchasing and maintaining relevant insurance cover, it is possible that our insurance cover may not provide adequate coverage in certain circumstances.

We maintain insurance including cover for building-superstructure policies. While we believe that we maintain sufficient insurance cover, certain types of losses may be either uninsurable or not economically viable to insure, such as losses due to acts of terrorism or war. Should an uninsured loss occur, we could lose our investment in, as well as anticipated profits and cash flows from the asset. In addition, even if any such loss is insured, there may be a significant deductible on any claim for recovery prior to our insurer being obligated to reimburse us for the loss, or the amount of the loss may exceed our coverage for the loss. Further, even in the case of an insured risk occurring there can be no assurance that we will be successful in claiming insurance in part or full, or the insurance purchased by us may be insufficient to cover the loss occasioned by the risk. Any loss that is not covered by insurance or for which we are unable to successfully claim insurance or which is in excess of the insurance cover could, in addition to damaging our reputation, have an adverse effect on our business, prospects, results of operations and financial condition. Further, an insurance claim once made could lead to an increase in our insurance premium.

11. There is no guarantee that the Rights Equity Shares issued pursuant to the Issue will be listed on the Stock Exchange in a timely manner or at all and any trading closures at the Stock Exchange may adversely affect the trading price of our Equity Shares. In accordance with Indian law and practice, permission for listing of the Rights Equity Shares will not be granted until after those Rights Equity Shares have been issued and allotted. In addition, we are required to deliver this Draft Letter of Offer and Letter of Offer to SEBI and the Stock Exchange under the applicable provisions of the Companies Act and the ICDR Regulations. The trading approval shall be granted subject to the submission of all 30 other relevant documents authorizing the issuing of Rights Equity Shares. There could be a failure or delay in listing the Rights Equity Shares on the Stock Exchange. Any failure or delay in obtaining the approval would restrict investors' ability to dispose off their Equity Shares. Further, a closure of, or trading stoppage on the Stock Exchange could adversely affect the trading price of the Equity Shares.
12. The Issue Price of our Right Equity Shares may not be indicative of the market price of our Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. There can be no assurance that the Investors will be able to sell their Equity Shares at or above the Issue Price. The factors that could affect our share price are: (a) quarterly variations in the rate of growth of our financial indicators such as earnings per share; (b) changes in revenue or earnings estimates or publication of research reports by analysts; (c) speculation in the press or investment community; (d) general market conditions; and, (e) domestic and international economic, legal and regulatory factors unrelated to our performance.

**13. *Our Company has not taken any insurance coverage which may protect us against certain operating hazards and from all losses and this may have an adverse impact on the financial conditions of the business.***

Our Company has not taken any insurance cover at present. Hence, we may not be able to protect ourselves from any damage or loss suffered by us. To the extent that we suffer any loss or damage, the operational results of the company could be adversely affected. The company does not maintain a directors and officers liability insurance policy for the directors or key managerial personnel of the Company.

**14. *Our Company had negative cash flow during certain fiscal years; details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.***

(Rs. in Lakhs)

Particulars	As on Dec. 2022	As on March 31		
		2022	2021	2020
Net cash from (used in) Operating activities	397.74	320.52	-121.17	16.42
Net cash from (used in) Investing activities	-730.48	-134.25	8.58	341.07
Net cash from (used in) Financing activities	-2.85	-6.42	-7.94	-8.40
<b>Net Cash Flow</b>	<b>-335.60</b>	<b>179.85</b>	<b>-120.53</b>	<b>349.009</b>

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flow, it may adversely affect our business and financial operations. For further details please refer to the section titled “Financial Statements” and chapter titled “Management's Discussion and Analysis of Financial Conditions and Results of Operations” beginning on page no. 74 and page no. 156 respectively, of this Draft Letter of Offer.

***15. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.***

We have not paid any dividends since incorporation. Our future ability to pay dividends will depend on our earnings, financial condition and capital requirements. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. There can be no assurance that we will generate sufficient income to cover the operating expenses and pay dividends to the shareholders.

Our ability to pay dividends will also depend on our expansion plans. We may be unable to pay dividends in the near or medium term, and the future dividend policy will depend on the capital requirements and financing arrangements for the business plans, financial condition and results of operations.

***16. We have entered into certain related party transactions and may continue to do so.***

We have entered into related party transactions with our Promoters, its group members/ entities, Directors and other associates. While we believe that all such transactions have been conducted on the arms length basis, however it is difficult to ascertain whether more favorable terms would have been achieved had such transactions been entered with unrelated parties. Furthermore, it is likely that we will continue to enter into related party transactions in the near future. For further details regarding the related party transactions, see the disclosure on related party transactions contained in the financial statements included in this Draft Letter of Offer and, also see the section “Related Party Transactions” beginning on page no. 153 of this Draft Letter of Offer.

***17. Failure to manage our inventory could have an adverse effect on our net sales, profitability, cash flow and liquidity.***

Our results of operations are dependent on our ability to effectively manage our inventory. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and purchase new inventory accordingly. If our management has misjudged expected customer demand it could adversely impact the results by causing either a shortage of merchandise or an accumulation of excess inventory. Further, if we fail to sell the inventory we manufacture or purchase, we may be required to recycle our inventory, which would have an adverse impact on our income and cash flows.

***18. Negative Publicity with respect to our products or the industry in which we operate could adversely affect our business, financial condition and results of operations.***

Our business is dependent on the trust that our customers have in the quality and authenticity of the rough and polished diamonds we sell to them. Any negative publicity regarding our products, our Company, or Gems and Jewellery industry generally could adversely affect our reputation and our results of operations. Customer preferences could be affected by a variety of issues including non-acceptance of diamonds from specific regions and a decrease in the perceived value and customer satisfaction of the rough and polished diamonds compared to its price.

***19. Ineffective execution of marketing programs and reduced marketing expenditure could have an adverse effect on our sales.***

Being a trader in the diamond industry, our primary factors in determining retailers buying decisions in the wholesale business includes customer confidence, price points for our products, timely delivery of our products, designs together with the level and quality of customer service. The ability to differentiate our products from competitors by its branding, marketing and advertising programs is an important factor in attracting retailers and consumers. As a result, from time to time we will be undertaking brand building exercise and marketing programs to enhance our brand visibility. If these programs are ineffectively executed or the level of support for them is reduced, it could affect our ability to attract customers. Further, we cannot assure you that we will be able to accurately estimate our marketing expenditure for wholesale and or retail operations. In case our

marketing expenses are lesser than market standards, our marketing programs may be perceived ineffective. However, if our marketing expenses are higher than the market standards, it may adversely affect our income and results of operations.

***20. We have not entered into any long-term contracts with any of our customers and orders are not backed-up by a letter of credit facility.***

We do not have any long-term contracts with our customers and any change in the buying pattern of the customers could adversely affect the business of our Company. Although we have satisfactory business relations with our customers and have received continued business from them in the past, there is no certainty that the same will continue in the years to come and may affect our profitability.

***21. Our success depends largely on our senior management and our ability to attract and retain our key personnel.***

Our success is dependent on our management team whose loss could seriously impair the ability to continue to manage and expand business efficiently. Our success largely depends on the continued services and performance of our management and other key personnel. The loss of service of the Key Managerial Personnel and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. Further, the loss of any of the senior management or other key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability to expand our business.

***22. We are dependent on our Promoter, our senior management, directors and key personnel of our Company for success whose loss could seriously impair the ability to continue to manage and expand business efficiently.***

Our Promoter, Directors, senior management and key managerial personnel collectively have many years of experience in the industry and are difficult to replace. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. For further details of our Directors and key managerial personnel, please refer to Section "Our Management" on page 64 of this Draft Letter of Offer. Our success largely depends on the continued services and performance of our management and other key personnel. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently.

Further, the loss of any of the senior management or other key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability to implement new projects and expand our business.

***23. We face competition in our business from organized and unorganized players, which may adversely affect our business operation and financial condition.***

The real estate sector is highly fragmented and competitive. Our Company would not only compete with organized players but also a high percentage of unorganized players at local, national and international levels. Further, these unorganized player offer their services at highly competitive prices having well established presence in their local markets. Aggressive discounting by competitors, including liquidating excess inventory, may also adversely impact our performance in the short term.

In addition, there are minimal entry barriers in this sector and hence the may also face competition from new entrants. Some of our employees, who have disassociate themselves from the Company, may also compete with our Company.

***24. Our Company requires significant amount of working capital for a continuing growth. Our inability to meet our working capital requirements may adversely affect our results of operations. As per our settled business terms, we require our customers to pay the full amount of the consideration only after they receive the order, as a result, significant amounts of our working capital are often required to finance the purchase of raw material and execution of manufacturing processes before payment is received from our customers. Further, we are also required to meet the increasing demand and for achieving the same, adequate stocks are required to be maintained which requires sufficient working capital. In the event, we are unable to source the required amount of working capital for addressing such increased demand of our products, we might not be able to efficiently satisfy the demand of our customers. Even if we are able to source the required amount of funds, we cannot***

assure you that such funds would be sufficient to meet our cost estimates and that any increase in the expenses will not affect the price of our products.

Any delay in processing our payments by our customers may increase our working capital requirement. Further, if a customer defaults in making payments for a product on which we have devoted significant resources, it could affect our profitability and liquidity and decrease the capital reserves that are otherwise available for other uses. We may file a claim for compensation of the loss that we incurred pursuant to such defaults but settlement of disputes generally takes time and financial and other resources, and the outcome is often uncertain. In general, we make provisions for bad debts, including those arising from such defaults based primarily age of the debt and other factors such as special circumstances relating to special customers. There can be no assurance that such payments will be remitted by our clients to us on a timely basis or that we will be able to effectively manage the level of bad debt arising from defaults. We may also have large 34 cash outflows, including among others, losses resulting from environmental liabilities, litigation costs, adverse political conditions, foreign exchange risks and liability claims.

All of these factors may result, in increase in the amount of receivables and short-term borrowings. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, could result in a dilution of your shareholding. Accordingly, continued increases in our working capital requirements may have an adverse effect on our financial condition, cash flows and results of operations.

**25. *Delays or defaults in client payments could result in reduction of profits.***

The Company regularly commits resources to slew of projects prior to receiving advances or other payments from clients in amounts sufficient to cover expenditures on projects as it has incurred. It may be subject to working capital shortages due to delays or defaults in client payments. If clients default in their payments on a project to which the Company has devoted significant resources or if a project in which it has invested significant resources is delayed, cancelled or does not proceed to completion, it could have an adverse effect on the Company's business, financial condition and results of operations.

**26. *Our Company may require additional capital resources to achieve our expansion plans.***

The rate of our expansion will depend to an extent on the availability of adequate debt and equity capital. Further, the actual expenditure incurred may be higher than current estimates owing to but not limited to, implementation delays or cost overruns. We may, therefore, primarily try to meet such cost overruns through our internal generations and in case if the same is not adequate, we may have to raise additional funds by way of additional term debt from banks/ financial institutions and unsecured loans, which may have an adverse effect on our business and results of operations.

**27. *Our Promoter and members of the Promoter Group have significant control over the Company and have the ability to direct our business and affairs; their interests may conflict with your interests as a shareholder.***

After the completion of the Issue, our Promoter and the members of the Promoter Group will hold approximately \_\_\_\_% of the paid-up equity share capital of our Company assuming full subscription to the Rights Entitlement in the Issue. Our Promoter and the members of the Promoter Group holding Equity Shares in our Company, have undertaken to fully subscribe for their Rights Entitlement. They reserve the right to subscribe for their Rights Entitlement pursuant to any renunciation made by any member of the Promoter Group to another member of the Promoter Group. Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above their current percentage shareholding. So long as the Promoter has a majority holding, he will be able to elect the entire Board and control most matters affecting us, including the appointment and removal of the officers of our Company, our business strategy and policies and financing. Further, the extent of the Promoter's shareholding in our Company may result in the delay or prevention of a change of management or control of our Company, even if such a transaction may be beneficial to the other shareholders of our Company.

28. Our Company requires significant amount of working capital for a continuing growth. Our inability to meet our working capital requirements may adversely affect our results of operations. As per our settled business terms, we require our customers to pay the full amount of the consideration only after they receive the order, as a result, significant amounts of our working capital are often required to finance the purchase of raw material and

execution of manufacturing processes before payment is received from our customers. Further, we are also required to meet the increasing demand and for achieving the same, adequate stocks are required to be maintained which requires sufficient working capital. In the event, we are unable to source the required amount of working capital for addressing such increased demand of our products, we might not be able to efficiently satisfy the demand of our customers. Even if we are able to source the required amount of funds, we cannot assure you that such funds would be sufficient to meet our cost estimates and that any increase in the expenses will not affect the price of our products.

Any delay in processing our payments by our customers may increase our working capital requirement. Further, if a customer defaults in making payments for a product on which we have devoted significant resources, it could affect our profitability and liquidity and decrease the capital reserves that are otherwise available for other uses. We may file a claim for compensation of the loss that we incurred pursuant to such defaults but settlement of disputes generally takes time and financial and other resources, and the outcome is often uncertain. In general, we make provisions for bad debts, including those arising from such defaults based primarily age of the debt and other factors such as special circumstances relating to special customers. There can be no assurance that such payments will be remitted by our clients to us on a timely basis or that we will be able to effectively manage the level of bad debt arising from defaults. We may also have large cash outflows, including among others, losses resulting from environmental liabilities, adverse political conditions, foreign exchange risks and liability claims.

All of these factors may result, in increase in the amount of receivables and short-term borrowings. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, could result in a dilution of your shareholding. Accordingly, continued increases in our working capital requirements may have an adverse effect on our financial condition, cash flows and results of operations.

***29. Our funding requirements and deployment of the issue proceeds are based on management estimates and have not been independently appraised by any bank or financial institution.***

Our funding requirements and the deployment of the proceeds of the Issue are based on management estimates and our current business plan. The fund requirements and intended use of proceeds have not been appraised by bank or financial institution and are based on our estimates. In view of the competitive and dynamic nature of our business, we may have to revise our expenditure and fund requirements as a result of variations including in the cost structure, changes in estimates and other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirement and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our Board. In addition, schedule of implementation as described herein are based on management's current expectations and are subject to change due to various factors some of which may not be in our control.

***30. Our Company's management will have flexibility in utilizing the Net Proceeds. There is no monitoring agency appointed by our Company and the deployment of funds is at the discretion of our Management and our Board of Directors, though it shall be monitored by our Audit Committee.***

The deployment of the funds towards the objects of the issue is entirely at the discretion of the Board of Directors and is not subject to monitoring by external independent agency. As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above ₹10,000.00 lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Net Issue Proceeds to the BSE Limited and shall also simultaneously make the material deviations / adverse comments of the audit committee public. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

***31. Any variation in the utilization of the Net Proceeds as disclosed in this Draft Letter of Offer shall be subject to certain compliance requirements, including prior Shareholders' approval.***

In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Letter of Offer without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that requires us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the Shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or



operations. Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to modify the objects of the Issue as prescribed in the SEBI (ICDR) Regulations. If our shareholders exercise such exit option, our business and financial condition could be adversely affected. Therefore, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company, which may restrict our ability to respond to any change in our business or financial condition, and may adversely affect our business and results of operations.

**32. *Certain data mentioned in this Letter of Offer has not been independently verified.***

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the limitation that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

**ISSUE SPECIFIC RISKS**

**33. *Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.***

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further in case the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

**34. *Any future issuance of the Equity Shares, or convertible securities by our Company may dilute your future shareholding and sales of the Equity Shares by our Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, or convertible securities by our Company, including through exercise of employee stock options or restricted stock units may lead to dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Further, any future sales of the Equity Shares by the Promoters and members of our Promoter Group, or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

**35. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to long-term capital gains tax in India if Securities Transaction Tax (STT) is paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares, except in the case of such acquisitions where STT could not have been paid, as notified by the GoI under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, Finance Act, 2018, taxes such long term capital gains exceeding ₹1 lakh arising from sale of equity shares on or after April 1, 2018. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

- 36. *You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.***

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. We cannot assure you that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

- 37. *Investors will not have the option of getting the Allotment of Rights Equity Shares in physical form and the Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form (“Physical Shareholders”) may lapse in case they fail to furnish the details of their demat account to the Registrar.***

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of the Equity Shares and except the pending transfers). For details, refer chapter titled “Terms of the Issue – Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” on page 185 of this Draft of Letter of Offer.

- 38. *Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.***

In terms of the SEBI ICDR Regulations, the Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant’s demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant’s decision to invest in the Issue Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their Applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Issue Shares at a price that will be higher than the actual market price of the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants’ ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

- 39. *Investors will be subject to market risks until the Issue Shares credited to their demat accounts are listed and permitted to trade.***

Investors can start trading the Issue Shares allotted to them only after they are listed and permitted to trade. Since the Equity Shares are currently traded on the Stock Exchange, investors will be subject to market risk from the date they pay for the Issue Shares to the date when trading approval is granted for them. Further, we cannot assure you that the Issue Shares allocated to an Investor will be credited to the Investor’s demat account or that trading in the Equity Shares will commence in a timely manner.

- 40. *Your ability to acquire and sell the Issue Shares offered in the Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Letter of Offer.***

No actions have been taken to permit an offering of the Issue Shares in the Issue in any jurisdiction except India. As such, our Issue Shares have not and will not be registered under the U.S. Securities Act, any state securities laws or the law of any jurisdiction other than India. Further, your ability to acquire Issue Shares is restricted by the distribution and solicitation restrictions set forth in this Letter of Offer. For further information,

please refer to the chapters entitled 'Notice to Investors', 'Other Regulatory and Statutory Disclosures' and 'Restrictions on Foreign Ownership of Indian Securities' on pages 12, 175 and 207, respectively. You are required to inform yourself about and observe these restrictions. Our representatives, our agents and us will not be obligated to recognize any acquisition, transfer or resale of the Issue Shares made other than in compliance with applicable law.

***41. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.***

Under the Companies Act, any company incorporated in India must offer its holders of equity shares preemptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained Government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

***42. Conditions in the Indian securities market may affect the price or liquidity of our Equity Shares.***

The Indian securities markets are smaller and more volatile than securities markets in more developed economies. The Indian stock exchanges have, in the past, experienced substantial fluctuations in the prices of listed securities. Prices of listed securities are subject to volatility linked among other factors to the uncertainty in the global markets and the rising inflationary and interest rate pressures domestically. The governing bodies of the Indian stock exchanges have, from time to time, imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Future fluctuations or trading restrictions could have a material adverse effect on the price of our Equity Shares.

***43. The Issue Price of our Rights Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.***

The Issue Price of Rights Equity Share may not be indicative of the market price for our Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. There can be no assurance that the Investors will be able to sell their Equity Shares at or above the Issue Price. The factors that could affect our share price are:

- (a) quarterly variations in the rate of growth of our financial indicators such as earnings per share;
- (b) changes in revenue or earnings estimates or publication of research reports by analysts;
- (c) speculation in the press or investment community;
- (d) general market conditions; and,
- (e) domestic and international economic, legal and regulatory factors unrelated to our performance.

***44. There is no guarantee that the Rights Equity Shares issued pursuant to the Issue will be listed on the Stock Exchanges in a timely manner or at all and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares.***

In accordance with Indian law and practice, permission for listing of the Rights Equity Shares will not be granted until after those Rights Equity Shares have been issued and allotted. In addition, we are required to deliver the Letter of Offer to SEBI and the Stock Exchanges under the applicable provisions of the Companies Act and the SEBI ICDR Regulations. The trading approvals shall be granted subject to the submission of all other relevant documents authorizing the issuing of Rights Equity Shares. There could be a failure or delay in listing the Rights Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval would restrict investors' ability to dispose of their Equity Shares. Further, a closure of, or trading stoppage on the Stock Exchanges could adversely affect the trading price of the Equity Shares.

## **EXTERNAL RISK FACTORS**

***45. Political instability or changes in the government or government policies could impact the liberalization of the Indian economy.***

The performance and growth of our Company is dependent on the health of the Indian economy and more generally the global economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. As a result, our business and the market price and liquidity of the Equity Shares may be affected by such economic and / or political changes. While the current government is expected to continue the liberalization of India's economic and financial sectors and deregulation policies, there can be no absolute assurance that such policies will be continued. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India generally and specifically have an adverse effect on the operations of our Company.

**46. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years, and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

**47. *Financial instability, economic developments and volatility in securities markets in other countries may also cause the price of the Equity Shares to decline.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Currently, the Russia- Ukraine conflict has resulted in significant increase in a global oil prices which could have a significant impact on inflation and cost of production. Additionally, essential raw materials for the manufacture of various products could be affected globally due to the aforementioned European crisis which could have cascading effect on the Indian economy and the trading price of our Equity Shares.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of the Equity Shares.

**48. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business and financial condition.***

Our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and / or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial condition.

***49. General economic conditions in India and globally could adversely affect our business, results of operations and financial condition.***

Our business, prospects, results of operations and financial condition depend significantly on worldwide economic conditions and the health of the Indian economy. Various factors may lead to a slowdown in the Indian or world economy which in turn may adversely impact our business, prospects, results of operations and financial condition. Our Company mainly derives revenue from operations in India and the performance and growth of our business is significantly dependent on the performance of the Indian economy. In the past, the Indian economy has been affected by global economic uncertainties, liquidity crisis, domestic policies, global political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, volatility in inflation rates and various other factors. Accordingly, high rates of inflation in India could increase our Company's employee costs and decrease our operating margins, which could have an adverse effect on our business, prospects, results of operations and financial condition.

Further the Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, also have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our Company's business. A slowdown in the Indian economy could adversely affect the policy of the Government of India towards the industry in which our Company operates, which may in turn, adversely affect our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, results of operations and financial condition as well as the market price of the Equity Shares.

***50. The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition. India's physical infrastructure is in a developing phase, as compared to that of many developed nations.***

Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could have an adverse effect on our results of operations and financial condition.

***51. A downgrade in ratings of India, may affect the trading price of the Equity Shares.***

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign rating is Baa3 with a "stable" outlook (Moody's), BBB- with a "stable" outlook (S&P) and BBB- with a "negative" outlook (Fitch). Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

***52. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

### **SECTION III – INTRODUCTION**

#### **THE ISSUE**

This Issue has been authorized through a resolution passed by our Board at its meeting held on December 15, 2022 and Shareholders resolutions via EGM held on January 09, 2023 pursuant to Section 62 of the Companies Act, 2013 and other applicable provisions.

The following is a summary of this Issue and should be read in conjunction with and is qualified in its entirety by, the information detailed in ***“Terms of the Issue”*** on page 182 of this Draft Letter of Offer.

<b>PARTICULARS</b>	<b>SCHEME DETAILS</b>
<b>Equity Shares proposed to be issued</b>	Up to 2,40,85,020 Rights Equity Shares
<b>Rights Entitlements</b>	[●] Rights Equity Shares for every [●] Equity Shares held on the Record Date.
<b>Record Date</b>	[●]
<b>Face value per Equity Share</b>	Rs. 10 per equity share
<b>Issue Price per Rights Equity Share</b>	Rs. [●] per equity share (including a premium of [●] per equity share
<b>Issue Size</b>	Up to [●] equity shares of face value Rs. 10 each for cash at a price of Rs. [●] (Including a premium of Rs. [●]) per Rights Equity Share up to an amount of Rs. [●] Lakhs*  *Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares
<b>Voting Rights and Dividend</b>	The Equity Shares issued pursuant to this Issue shall rank pari passu in all respects with the Equity Shares of our Company.
<b>Equity Shares issued, subscribed and paid-up prior to the Issue</b>	1,20,42,510 Equity Shares
<b>Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Equity Shares) and having made fully paid-up</b>	3,61,27,530 Equity Shares
<b>Use of Issue Proceeds</b>	For details, see “Objects of the Issue” on page 52 of the Draft Letter of Offer
<b>Terms of the Issue</b>	For details, see “Terms of the Issue” on page 182 of the Draft Letter of Offer
<b>Security Code</b>	ISIN: INE426H01014; BSE: 531802

For details in relation fractional entitlements, see "Terms of the Issue-Fractional Entitlements" beginning on page 196 of this Draft Letter of Offer.

#### **Terms of Payment**

<b>Due Date</b>	<b>Amount payable per Equity Shares</b>
Money payable at the time of Application	[●]

## **SUMMARY FINANCIAL INFORMATION**

The following tables set forth the summary financial information derived from the Financial Statements. Our summary financial information presented below, is in Rupees in Lakhs and should be read in conjunction with the financial statements and the notes (including the significant accounting principles) thereto included in the section “Financial Information” on page 74 of this Draft Letter of Offer.

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**Annexure-1****STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED****(Rs. In Lakhs)**

Particulars	Annexure nos.	As on December, 31 <sup>st</sup> 2022	As on March 31,		
			2022	2021	2020
<b>Equity &amp; Liabilities</b>					
<b>Shareholders' Funds</b>					
Share Capital	5	1,204.25	1,204.25	1,204.25	1,204.25
Reserve & Surplus	5	3,337.26	2,632.35	2,045.36	2,059.66
<b>Total (A)</b>		<b>4,541.51</b>	<b>3,836.60</b>	<b>3,249.61</b>	<b>3,263.91</b>
<b>Non-Current Liabilities</b>					
Long Term Borrowings	6	2,759.74	52.81	196.31	286.88
<b>Total (B)</b>		<b>2,759.74</b>	<b>52.81</b>	<b>196.31</b>	<b>286.88</b>
<b>Current Liabilities</b>					
Trade Payables	7	456.36	442.67	461.50	481.53
Short Term Provisions	7	1.15	-	8.93	-
Other Current Liabilities	8	13.12	9.53	10.13	7.13
<b>Total (C)</b>		<b>470.63</b>	<b>452.20</b>	<b>480.56</b>	<b>488.67</b>
<b>Total (D=A+B+C) - TOTAL LIABILITIES</b>		<b>7,771.88</b>	<b>4,341.61</b>	<b>3,926.48</b>	<b>4,039.46</b>
<b>Non Current Assets</b>					
<b>Fixed Assets</b>					
Tangible Asset	9	91.41	92.08	125.48	131.25
Non-Current Investments	10	162.04	188.32	41.87	75.78
Long Term Loans & Advances					

Other Non-Current Assets	<b>11</b>	1,804.36	37.37	1,194.87	1,464.14
Deferred Tax Assets		16.42	15.42	12.61	8.99
<b>Total (E)</b>		<b>2,074.23</b>	<b>333.18</b>	<b>1,374.83</b>	<b>1,680.16</b>
<b>Current Assets</b>					
Current Investments					
Inventories	<b>12</b>	4,788.29	3,467.35	2,110.03	1,812.42
Cash & Bank Balances	<b>13</b>	851.46	421.08	241.22	361.75
Other Current Assets	<b>14</b>	57.90	120.00	200.40	185.13
<b>Total (F)</b>		<b>5,697.65</b>	<b>4,008.43</b>	<b>2,551.65</b>	<b>2,359.30</b>
<b>Total (G=E+F) - TOTAL ASSETS</b>		<b>7,771.88</b>	<b>4,341.61</b>	<b>3,926.48</b>	<b>4,039.46</b>

**ANNEXURE 02****STATEMENT OF PROFIT & LOSS, AS RESTATED****(Rs. In Lakhs)**

Particulars	Annexure nos.	As on December, 31 <sup>st</sup> 2022	As on March 31,		
			2022	2021	2020
<b>Revenue</b>					
<b>I. Revenue From Operation</b>					
Sale of Products	<b>15</b>	1,324.03	2,372.03	447.91	976.00
<b>II. Other Income</b>	<b>16</b>	30.22	14.14	11.64	64.59
<b>Total Revenue (I+II)</b>		<b>1,354.25</b>	<b>2,386.17</b>	<b>459.55</b>	<b>1,040.59</b>
<b>Expenses</b>					
Cost of Material Consumed	<b>17</b>	1,606.55	2,669.19	585.51	1,216.19
Purchase/Sales Return of Finished Stock	<b>18</b>	-	50.81	-	29.39
Change In Inventories	<b>19</b>	1,280.46	1,357.32	297.61	385.01
Employee Benefit Expense	<b>20</b>	85.87	117.16	84.74	74.53
Finance Cost	<b>21</b>	2.85	6.42	7.95	8.40
Depreciation and Amortization Expense		21.68	34.89	42.74	41.32
Other Expenses	<b>22</b>	68.81	140.85	54.13	51.89
<b>Total Expenses</b>		<b>505.29</b>	<b>1,662.00</b>	<b>477.46</b>	<b>1,036.71</b>
<b>Profit before extraordinary items and tax</b>		<b>848.96</b>	<b>724.17</b>	<b>17.91</b>	<b>3.88</b>
<b>Provision for Taxes</b>					
1. Current taxes		145.00	140.00	-	6.47
2. Tax adjustment of earlier years		-	-	-	-
3.Share of profit/(loss) of associate and joint ventures accounted for using equity method		0.04	-	-	-
4. Deferred tax (Assets)\ Liabilities		1.00	2.81	3.61	3.35
<b>Net Profit</b>		<b>704.92</b>	<b>586.98</b>	<b>14.30</b>	<b>0.76</b>
Proposed Dividend		5.76	4.87	0.12	0.01
Dividend distribution tax		5.76	4.87	0.12	0.01
<b>Net profit carried to Balance sheet</b>		<b>704.92</b>	<b>586.98</b>	<b>14.30</b>	<b>0.76</b>

**ANNEXURE 03****STATEMENT OF CASH FLOWS, AS RESTATED****(Rs. In Lakhs)**

Particulars	As on December, 31 <sup>st</sup> 2022	As on March 31,		
		2022	2021	2020
<b>A. Cash Flows From Operating Activities</b>	848.91	724.17	-	3.88
Net Profit before Tax				
<b>Adjustments for:-</b>		-	-	-
Depreciation	21.68	34.89	42.74	41.32
Interest & Finance charges	2.85	6.42	7.94	8.40
Interest Income	-	-	-	-
	19.40	-13.68	11.64	31.13
Net (Gain)/Loss on Sale of Investment	-			-
	0.12			22.95
Rental income from investment properties	-			
	10.70			
Preliminary Expenses Written Off (Net)				
<b>Operating Cash Generated Before Working Capital Changes</b>	<b>843.22</b>	<b>751.81</b>	<b>21.13</b>	<b>-</b>
<b>Change In Working Capital</b>				
Inventories	-	-	-	-
	1,320.94	1,357.32	297.61	385.01
Trade Receivables	-			
	32.50	-1.50	-	1,266.92
Short Term loans and Advance				
		-	-	-
Long Term Loans and Advance				
		-	-	-
Other Current Assets				
	42.71	79.09	15.27	58.23
Other Non Current Assets	-			-
	1,766.99	1,157.50	269.27	950.00
Other Current Liabilities Except Unpaid Dividend				
	1,565.18	-	-	-
		124.48	59.11	33.29
Other Long Term Liabilities				
	1,150.84	-47.39	39.57	28.11
Short Term Provision				
	4.43	-	-	0.06
<b>Cash Generated From Operations</b>	<b>485.95</b>	<b>457.71</b>	<b>-</b>	<b>51.12</b>
Less : Direct taxes (paid) / refund				
	88.21	137.19	-	34.70
<b>Net Cash Flow from Operating Activities (A)</b>	<b>397.74</b>	<b>320.52</b>	<b>-</b>	<b>16.42</b>

<b>B. Cash Flows From Investing Activities</b>				
Proceeds form Increase in Capital	-	-	2.45	4.67
Proceeds form Sale of Fixed Assets	1.00	-	39.42	68.55
Purchase of Fixed Assets	39.14	-1.50	-	
Bank Balance not Considered as Cash and Cash Equivelant			-	
Placed	765.96	-	-	
Matured	-	-	-	
Sale of Current Invest not Considered as Cash and Cash Equivelant	43.52	-	-	373.82
Purchase of Current Investment		-146.44	33.91	-
Interest Received	19.40	13.68	11.64	31.13
Rent Income	10.70	-		-
Rental Income form investment Properties		-		-
<b>Net Cash Generated From Investing Activities (B)</b>	<b>730.48</b>	<b>134.25</b>	<b>8.58</b>	<b>341.07</b>
<b>C. Cash Flow From Financing Activities</b>				
Repayment of Other Short Term Borrowings		-	-	-
Finance Cost	2.85	-6.42	7.94	8.40
<b>Net Cash from Financing Activities [C]</b>	<b>2.85</b>	<b>-6.42</b>	<b>7.94</b>	<b>8.40</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>335.60</b>	<b>179.85</b>	<b>120.53</b>	<b>349.09</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>418.61</b>	<b>238.75</b>	<b>359.28</b>	<b>10.19</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>83.01</b>	<b>418.60</b>	<b>238.75</b>	<b>359.28</b>

## GENERAL INFORMATION

Our Company was originally incorporated as “Panchratna Safe Vaults Private Limited” on April 13, 1988 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. Our Company name was changed to Prerna Safe vaults Private Limited on October 01, 1992. Subsequently, Our Company was converted in to a public company and consequently name was changed to “Prerna Safe vaults Limited” vide fresh certificate of incorporation dated April 5, 1995 issued by Registrar of Companies, Gujarat, Dadra and Nagar Havelli. Our Company name was changed to Prerna Finsafe Limited on April 17, 1995 and thereafter name was changed to “Prerna Infrabuild Limited” vide fresh certificate of incorporation dated October 19, 2006 issued by Registrar of Companies, Gujarat, Dadra and Nagar Havelli.

### Registered Office

**CIN** : L65990GJ1988PLC010570  
**Registration Number** : 010570  
**Address** : PRERNA, Survey No. 820/1, In lane of Panchvati Auto, Opp. Anand Dham Derasar, S.G. Road, Ahmedabad-380058, Gujarat, India;  
**Tel No.** : +91 261 2538046  
**Email Id** : [info@prernagroup.com](mailto:info@prernagroup.com)  
**Website** : [www.prernagroup.com](http://www.prernagroup.com)  
**Contact Person** : Ms. Megha Rajendrakumar Shah

**Corporate Office-** The Company does not have a separate corporate office. Hence, the registered office and corporate office is one and same.

### Address of the ROC

Our Company is registered with the Registrar of Companies, Gujarat at Ahmedabad, which is situated at the following address:

**Address** : ROC Bhavan, Opp Rupalben Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013  
**Tel No.** : +91 79 27437597  
**Fax No.** : +91 79 27438371  
**Email Id** : [roc.ahmedabad@mca.gov.in](mailto:roc.ahmedabad@mca.gov.in)

### DESIGNATED STOCK EXCHANGE

**BSE Limited** located at P. J. Towers, Dalal Street, Fort, Mumbai 400 001, Maharashtra, India is the Designated Stock Exchange for the proposed Rights Issues of the Company.

### OUR BOARD OF DIRECTORS

The following table sets out details regarding our Board as on the date of this Draft Letter of Offer:

Name and Designation	Age	DIN	PAN Card No.	Address
VIJAY CHANDULAL SHAH	73	00038062	ACDPS0403J	104, Prernatirth Bunglows Part-2, Nr. Prernatirth Jain Derasar, Jodhpur Gam, Satellite, Ahmedabad-380015.
SANKET VIJAY SHAH	41	00038121	ANIPS4621E	104, Prernatirth Bunglows Part-2, Nr. Prernatirth Jain Derasar, Jodhpur Gam, Satellite, Ahmedabad-380015.
NALINI VIJAY SHAH	71	00119538	AJBPS2299B	104, Prernatirth Bunglows Part-2, Nr. Prernatirth Jain Derasar, Jodhpur Gam, Satellite, Ahmedabad-380015.
MAHENDRA KANTIBHAI GOSALIA	81	02279850	AAWPG7571Q	B/201, Prernashikhar, Nr. Auda Fire Station, Bodakdev, Ahmedabad-380054.
KIRAN HIRALAL SHAH	77	02725833	AAFPS2805N	B/3, MATRUASHISH BUILDING, 7TH FLOOR, 454, NEPEANSEA ROAD,

Name and Designation	Age	DIN	PAN Card No.	Address
				MUMBAI-400036.
KRUPALI RISHIT SHAH	39	08604775	CPOPS3892F	B/1001, Pernashikhar, Nr. Auda Fire Station, Bodakdev, Ahmedabad-380054.

For detailed profile of our Board of Directors, refer to chapter titled '*Our Management*' on page no. 76 of this Draft Letter of Offer.

#### MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER

**Name** : **MR. SANKET VIJAYBHAI SHAH**  
**Address** : PRERNA, Survey No. 820/1, In lane of Panchvati Auto, Opp. Anand Dham Derasar, S.G. Road, Ahmedabad-380058, Gujarat, India;  
**Tel No.** : +91-9825007256  
**Email Id** : [info@prernagroup.com](mailto:info@prernagroup.com)  
**Website** : [www.prernagroup.com](http://www.prernagroup.com)

#### COMPANY SECRETARY & COMPLIANCE OFFICER

**Name** : **MS. MEGHA RAJENDRAKUMAR SHAH**  
**Address** : PRERNA, Survey No. 820/1, In lane of Panchvati Auto, Opp. Anand Dham Derasar, S.G. Road, Ahmedabad-380058, Gujarat, India;  
**Tel No.** : +91 7048219657  
**Email Id** : [info@prernagroup.com](mailto:info@prernagroup.com)  
**Website** : [www.prernagroup.com](http://www.prernagroup.com)

#### Investor Grievances

Investors are advised to contact the Company Secretary and Compliance Officer or Registrar to the Issue for any pre-Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer / CAF / letter of allotment, Split Application Forms, Share Certificate(s) or refund orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole/ first holder, folio number or demat account number, serial number of the CAF, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the CAF, or the plain paper application, as the case may be, was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process as well as for non- ASBA process, see "Terms of the Issue" on page 182.

## PEER REVIEW AND STATUTORY AUDITORS

**Name** : Philip Fernandes & Co., CHARTERED ACCOUNTANTS  
**Address** : 915, 9th Floor, Shiromani Complex, Nehrunagar, Ahmedabad-380015  
**Tel No.** : +91 9925385039  
**Email Id** : philipfernandes.3@gmail.com  
**Contact Person** : PHILIPS FERNANDES  
**Membership No.** : 125960  
**Firm Registration No.** : 128122W

## REGISTRAR TO THE ISSUE

**Name** : BIGSHARE SERVICES PRIVATE LIMITED  
**Address** : E-2/3, Ansh Industrial Estate, Sakivihar Road, Saki Naka, Andheri(E), Mumbai – 400072  
**Tel No.** : Tel : 022- 40430200/62638200  
**Email Id** : [info@bigshareonline.com](mailto:info@bigshareonline.com)  
**Investor grievance e-mail** : [sandeep@bigshareonline.com](mailto:sandeep@bigshareonline.com) / [info@prernagroup.com](mailto:info@prernagroup.com)  
**Contact Person** : Mr. SANDEEP  
**Website** : [www.bigshareonline.com](http://www.bigshareonline.com)  
**SEBI Registration No.** : INR000001385

## BANKERS TO THE COMPANY

**Name** : HDFC BANK  
**Address** : Hdfc Bank Ltd Kalatirth Nera Prernatirth Bungalows Jodhpur Ahmedabad-380015, Gujarat, India  
**Tel No.** : +91 8980029050  
**Email Id** : [paresh.thakkar@hdfcbank.com](mailto:paresh.thakkar@hdfcbank.com)  
**Contact Person** : Mr. Ashish Doshi (Manager)  
**Website** : [www.hdfcbank.com](http://www.hdfcbank.com)

**Name** : BANK OF MAHARASHTRA  
**Address** : Sachet-Iv Bldg, Prernatirth Road Jodhpur Satellite Ahmedabad-380015, Gujarat, India  
**Tel No.** : +91 9406550043  
**Email Id** : [bom1516@mahabank.com](mailto:bom1516@mahabank.com)  
**Contact Person** : Mr. Rajnit Caur  
**Website** : [www.bankofmaharashtra.in](http://www.bankofmaharashtra.in)

## BANKER TO THE ISSUE/ REFUND BANK

The Banker to the Issue/ the Refund Bank shall be appointed prior to filing of the Letter of Offer.

## Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

## Registered Brokers

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 04, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit Application Forms with the Registered Brokers at the Broker Centers, CDPs at Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone numbers, are available at the websites of the NSE at [www.nseindia.com](http://www.nseindia.com) and BSE at [www.bseindia.com](http://www.bseindia.com) respectively, as updated from time to time.



## **Registrar and Share Transfer Agents**

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchanges at [https://www1.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](https://www1.nseindia.com/products/content/equities/ipos/asba_procedures.htm) and <https://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6>, as updated from time to time.

## **Collecting Depository Participants**

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchanges.

## **Credit Rating**

As the proposed Issue is of Rights Equity Shares, the appointment of a credit rating agency is not required.

## **Debenture Trustee**

As the proposed Issue is of Rights Equity Shares, the appointment of debenture trustee is not required.

## **Monitoring Agency**

Since the size of the Issue is less than Rs. 10,000 Lakh, our Company is not required to comply with the provisions of the SEBI ICDR Regulations including the provisions relating to appointment of monitoring agency.

## **Appraising Entity**

None of the purposes for which the Net Proceeds are proposed to be utilized have been appraised by any banks or financial institution or any other independent agency.

## **Expert**

Our Company has received a written consent dated January 30, 2023 from our Statutory Auditors, M/s : Philip Fernandes & Co., Chartered Accountants, to include their names in this Draft Letter of Offer as an "expert", as defined under applicable laws, to the extent and in their capacity as statutory auditors, and in respect of the reports issued by them and the Statement of Tax Benefits, included in this Draft Letter of Offer. Such consent has not been withdrawn as on the date of this Draft Letter of Offer.

## **Underwriting Agreement**

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

## **Changes in Auditors during the last three years**

Philip Fernandes & Co., Chartered Accountants was appointed as Peer Review and Statutory Auditors of our Company at AGM dated September 15, 2022 in place of M/s. Vijay Chauhan & Association., Chartered Accountants.

## **Filing**

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rs.10,00,00,000/- to Rs.50,00,00,000/- Since the size of this Issue falls below this threshold, the Letter of Offer has not been filed with SEBI and is being filed with the Stock Exchanges for obtaining their in-principle approval. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges. The Letter of Offer has not been filed with the SEBI for its observations as the size of the issue is up to Rs. 5000.00 lakhs which does not require issuer to file Letter of Offer with SEBI. Issuer has filed Letter of Offer with BSE for obtaining in-principle approval.

Since the size of this Issue falls below this threshold, this Draft Letter of Offer will be filed with the Stock Exchanges and not with SEBI. However, the Draft Letter of Offer will be submitted with SEBI for information

and dissemination and will be filed with the Stock Exchanges.

This Draft Letter of Offer is being filed with the Stock Exchanges i.e BSE as per the provisions of the SEBI ICDR Regulations. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Draft Letter of Offer to the e -mail address: cfddil@sebi.gov.in.

### Minimum Subscription

The objects of the Issue are meeting the Working Capital Requirements and General Corporate Purpose, and do not involve financing of capital expenditure for a project.

Further, our Promoters and Promoter Group have undertaken that they will subscribe to the full extent of their Rights Entitlements and that they shall not renounce their Rights Entitlements (except to the extent of renunciation by any of them in favour of any other Promoter or member of the Promoter Group) subject to the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI Listing Regulations.

Accordingly, in terms of Regulation 86(1) of the SEBI ICDR Regulations, the requirement of minimum subscription is not applicable to the Issue.

### Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

PARTICULARS	SCHEDULE
Issue Opening Date	: [●]
Last Date for On Market Renunciation of Rights	: [●]
Issue Closing Date	: [●]

*The above schedule is indicative and does not constitute any obligation on our Company.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●].

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be liable for any loss on account of non- submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date, due to prevailing COVID-19 related conditions. For details on submitting Application Forms, see “**Terms of the Issue**” beginning on page 182.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the amount paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

## CAPITAL STRUCTURE

The share capital of our Company as of the date of this Draft Letter of Offer (before and after the Issue) is set forth below:

(Amount in Rs.)		
Particulars	Aggregate Value At Nominal Value	Aggregate Value At Issue Price
<b>Authorized Share Capital</b>		
1,30,00,000 Equity Shares of Rs. 10/- each	13,00,00,000	-
<b>Issued, Subscribed And Paid Up Share Capital Before The Issue</b>		
1,20,42,510 Equity Shares of Rs. 10/- each	12,04,25,100	-
<b>Present Issue In Terms Of This Draft Letter Of Offer <sup>(1)</sup></b>		
2,40,85,020 Equity Shares of Rs. 10/- each for Cash price of Rs. [●] per Share including premium of Rs. [●] per share		[●]
<b>Issued, Subscribed And Paid Up Share Capital After The Issue *</b>		
----- Equity Shares of Rs. 10/- each		
<b>Securities Premium Account</b>		
Before the Issue	10,32,25,000	
After the Issue	[●] *	

(1) The Issue has been authorised by our Board pursuant to a resolution dated December 15, 2022, and by our Equity Shareholders pursuant to a resolution passed at the extraordinary general meeting held on January 09, 2023.

\* Assuming full subscription.

### Notes to Capital Structure

- 1) There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Draft Letter of Offer.
- 2) Our Company does not have any employee stock option scheme or employee stock purchase scheme.
- 3) No Equity Shares have been acquired by the other Promoters or members of Promoter Group in the last (1) one year immediately preceding the date of filing of this Draft Letter of Offer.
- 4) No Equity Shares have been pledge by our Promoter or Promoter Group have been locked-in, pledged or encumbered as of the date of this Draft Letter of Offer.

### 5) Intention and extent of participation by our Promoters and Promoter Group

Pursuant to letter dated January 25, 2023 Mr. Sanket V. Shah ("Subscription Letter"), has confirmed that he along with other Promoters and certain members of Promoter Group of our Company, intention to subscribe, jointly and / or severally, to the full extent of their Rights Entitlements (including through subscription of any Rights Entitlements renounced in their favour by any other Promoter or member(s) of the Promoter Group of our Company).

Further, our Promoters and certain members of the Promoter Group also reserve the right to apply for, subscribe to Additional Rights Equity Shares, over and above their Rights Entitlements (including unsubscribed portion of the Issue, if any) for ensuring minimum subscription in the Issue as required under the SEBI ICDR Regulations, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations.

The acquisition of Additional Rights Equity Shares by our Promoters and members of our Promoter Group, over and above their Rights Entitlements, if any, shall not result in a change of control of the management of our Company and shall be in accordance with provisions of the SEBI SAST Regulations and in case if acquisition of Rights Equity Shares by our Promoters and our Promoter Group, over and above their Rights Entitlements triggers open offer obligation under SEBI SAST Regulations, our Promoters and our Promoter Group shall comply with the same. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

- 6) The ex-rights price of the Equity Shares as per Regulation 10(4)(b) of the SEBI SAST Regulations is Rs. [●].
- 7) At any given time, there shall be only one denomination of the Equity Shares of our Company.
- 8) Except as disclosed in this Draft Letter of Offer, all Equity Shares are fully paid up and there are no partly paid up Equity Shares as on the date of this Draft Letter of Offer. Further, the Equity Shares to be allotted pursuant to the Issue, shall be fully paid up. For further details on the terms of Issue, please see section titled “Terms of the Issue” beginning on page 182.
- 9) **Shareholding pattern of our Company as per the last quarterly filing with the Stock Exchanges in compliance with the SEBI Listing Regulations**

- a. The shareholding pattern of our Company as on December 31, 2022, can be accessed on the website of the BSE at: <https://www.bseindia.com/stock-share-price/prerna-infrabuild-ltd/prerinfra/531802/shareholding-pattern/>

Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
(A) Promoter & Promoter Group	7	73,86,366	73,86,366	61.34	73,86,366	61.34	73,86,366
(B) Public	3,340	46,56,144	46,56,144	38.66	46,56,144	38.66	42,24,444
(C1) Shares underlying DRs				0.00		0.00	
(C2) Shares held by Employee Trust				0.00		0.00	
(C) Non Promoter-Non Public				0.00		0.00	
<b>Grand Total</b>	<b>3,347</b>	<b>1,20,42,510</b>	<b>1,20,42,510</b>	<b>100.00</b>	<b>1,20,42,510</b>	<b>100.00</b>	<b>1,16,10,810</b>

- b. The statement showing holding of Equity Shares of the person belonging to the category “**Promoter and Promoter Group**” including details of lock-in, pledge of and encumbrance thereon, as on December 31, 2022 can be accessed on the website of the BSE at: <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=531802&qtrid=116.00&QtrName=December%202022>

Category of shareholder	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		Number of equity shares held in dematerialized form
						Class eg: X	Total	
<b>A1) Indian</b>					0.00		0.00	
<b>Individuals/Hindu undivided Family</b>		<b>7</b>	73,86,366	73,86,366	61.34	73,86,366	61.34	73,86,366
Shah Vijay Chandulal (Huf)	Promoter Group	1	10,58,978	10,58,978	8.79	10,58,978	8.79	10,58,978
Vijay Chandulal Shah	Promoter	1	11,28,257	11,28,257	9.37	11,28,257	9.37	11,28,257
Swetal Vijay Shah	Promoter Group	1	6,62,527	6,62,527	8.79	6,62,527	8.79	6,62,527
Nalini Shah	Promoter	1	18,06,377	18,06,377	9.37	18,06,377	9.37	18,06,377
Sanket Shah	Promoter		1,32,468	1,32,468	8.79	1,32,468	8.79	1,32,468
Niyati Shah	Promoter Group		1,000	1,000	0.01	1,000	0.01	1,000
Sanket V Shah (Huf)	Promoter		25,96,759	25,96,759	21.56	25,96,759	21.56	25,96,759

	Group							
Sub Total A1		7	73,86,366	73,86,366	61.34	73,86,366	61.34	73,86,366
A2) Foreign					0.00		0.00	
A=A1+A2		7	73,86,366	73,86,366	61.34	73,86,366	61.34	73,86,366

- c. The statement showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category “Public” including Equity Shareholders holding more than 1% of the total number of Equity Shares as on December 31, 2022 can be accessed on the website of the BSE at: <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=540936&qtrid=113.00&QtrName=March%202022>

Category & Name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form(Not Applicable)
B1) Institutions	0	0		0.00		0.00	
B2) Central Government/ State Government(s)/ President of India	0	0		0.00		0.00	
B3) Non-Institutions	0	0		0.00		0.00	
Individual share capital upto Rs. 2 Lacs	3221	18,94,094	18,94,094	15.73	18,94,094	15.73	18,94,094
Individual share capital in excess of Rs. 2 Lacs	13	25,68,696	25,68,696	21.33	25,68,696	21.33	25,68,696
Any Other (specify)	63	482372	4,82,372	4.79	4,82,372	1.003	4,82,369
Non-Resident Indian (NRI)	29	39122	39,122	0.39	39,122	0.44	39,122
Clearing Members	4	55156	55,156	0.55	55,156	0.067	55,156
Bodies Corporate	14	188480	1,88,480	1.87	1,88,480	0.155	1,88,478
HUF	59	199614	1,99,614	1.98	1,99,614	1.98	1,99,613
Sub Total B3	3340	4656144	46,56,144	38.66	46,56,144	38.66	46,56,144
B=B1+B2+B3	3340	4656144	46,56,144	38.66	46,56,144	38.66	46,56,144

- d. Shareholders holding more than 1% of the issued and paid-up equity share capital as on December 31, 2022 is as follows:

Sr. No.	Name of the Shareholder	No. of shares held	% of no. of shares
---------	-------------------------	--------------------	--------------------

<b>Sr. No.</b>	<b>Name of the Shareholder</b>	<b>No. of shares held</b>	<b>% of no. of shares</b>
1.	Sanket V Shah	2596759	21.56
2.	Nalini Shah	1806377	15.00
3.	Vijay Chandulal Shah	1128257	9.37
4.	Swetal Vijay Shah	662527	5.50
5.	Shah Vijay Chandulal	591500	4.91
6.	Shah Vijay Chandulal Huf	467478	3.88
7.	Sanket Shah	132468	1.10
8.	Grishma Alkeshbhai	990000	8.22
9.	Alkesh Subodhchandra	915412	7.60
10.	Alka Kiran Shah	126000	1.05
	<b>Total</b>	<b>9416778</b>	<b>78.20</b>

## OBJECTS OF THE ISSUE

Our Company intends to utilize the proceeds of the Issue, after deducting Issue related expenses (“Net Proceeds”) towards the following objects:

1. To meet Working Capital requirement of the Company; and
2. General corporate purposes

(Collectively, referred to herein as the “Objects”).

The main objects clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enables us to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum of Association.

### Utilization of Issue Proceeds

The details of the Issue Proceeds are set out below:

Particulars	Amount (Rs. In Lakhs)
Gross Proceeds of the Issue	[•]
Less: Issue related expenses	[•]
<b>Net Proceeds*</b>	[•]

*\* Assuming full subscription*

### Requirement of Funds

Particulars	Amount
To meet Working Capital requirement of the Company	46.004
General Corporate Purposes	167.000
Issue related expenses	50.000
<b>Total</b>	<b>4817.004</b>

### Utilization of Net Proceeds

Our Company proposes to deploy the Net Proceeds in the aforesaid objects as follows:

**(Rs. In Lakhs)**

Particulars	Amount
To meet Working Capital requirement of the Company	46.004
General Corporate Purposes *	167.000
Issue related expenses	50.000
<b>Total*</b>	<b>4817.004</b>

*Please note that any portion of the Net Proceeds not deployed for the stated Objects in a particular Financial Year will be deployed by our Company in next Financial Year and/ or ahead of the estimated schedule of deployment.*

*\*Assuming full subscription. The amount utilized towards general corporate purposes shall not exceed 25% of the Gross Proceeds.*

### Means of Finance

Our Company proposes to meet the entire requirement of funds for the objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance for the aforesaid object, excluding the amount to be raised from the Issue and existing identifiable internal accruals.

### Schedule of Implementation and Deployment of Gross Proceeds

Our Company proposes to deploy the entire Net Proceeds towards the Objects as described herein during Fiscal 2022-23.



The fund requirement and deployment is based on internal management estimates and our Company's current business plan and is subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy. These estimates have not been appraised by any bank or financial institution.

Any amount, deployed by our Company out of internal accruals towards the aforementioned objects till the date of receipt of Issue Proceeds shall be recouped by our Company from the Issue Proceeds of the Issue. In case of delays in raising funds from the Issue, our company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

In view of the competitive environment of the industry in which we operate, we may have to revise our business plan from time to time and consequently, our funding requirements may also change. Our historical funding requirements may not be reflective of our future funding plans. We may have to revise our funding requirements, and deployment from time to time on account of various factors such as economic and business conditions, increased competition and other external factors which may not be within our control. This may entail rescheduling and revising the planned funding requirements and deployment and increasing or decreasing the funding requirements from the planned funding requirements at the discretion of our management. Accordingly, the Net Proceeds of the Issue would be used to meet all or any of the purposes of the funds requirements described herein.

As we operate in competitive environment, we may have to revise our expenditure and fund requirements as a result of variations in cost estimates, exchange rate fluctuations and external factors which may not be within the control of our management. This may entail rescheduling and revising the planned expenditures and fund requirements and increasing or decreasing expenditures for a particular purpose at the discretion of our management, within the objects. For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "Risk Factors" beginning on page 20 of this Draft Letter of offer.

#### **Details of utilization of Net Proceeds**

Our Promoter and our Promoter Group members have undertaken to: (a) subscribe, jointly and severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement renounced in their favour by any other Promoter or member of the Promoter Group; and (b) subscribe to, either individually or jointly, with the Promoter or member of the Promoter Group, for Additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue. Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of Additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempted in terms of Regulation 10(4)(b) of the SEBI Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the SEBI Takeover Regulations is Rs. [●].

#### **1. To meet Working Capital requirement of the Company**

Our Company intends to utilize [●] % of the Issue Size in working capital requirements. We are currently engaged into Real Estate business. Such business is a working capital intensive, and our company proposes to meet the incremental requirement to the extent of Rs. [●] Lakhs for the FY 2023 from the Net Proceeds of the Issue.

#### ***Basis of estimation of working capital requirement and estimated working capital requirement:***

The details of our Company's working capital as at March 31, 2022 and estimated March 31, 2023, derived from the financial statements, and source of funding of the same are provided in the table below. Our expected working capital requirements for FY 2024 and the proposed funding of such working capital requirements are as set out in the table below:

(Rs. In Lakhs)

Particulars	31-Mars-22	31-Mar-23		31-Mar-24	
	Audited	Estimated	No. of Days	Projected	No. of Days
<b>Current Assets</b>					
Inventories	3416.75	4734.57	374.44	9834.57	374.44
Trade Receivables	1.50	34.00	0.24	67.04	0.24
Short Term Loans and Advances	0.00	0.00	-	0.00	-
Cash & Cash Equivalents	421.02	99.32	-	446.27	-
Other Current Assets	66.52	26.30	-	105.40	-
<b>Total (A)</b>	<b>3905.79</b>	<b>4894.20</b>	<b>-</b>	<b>10453.28</b>	<b>-</b>
<b>Current Liabilities</b>					
Trade payables	189.20	0.00	25.87	30.00	-
Other Current Liabilities & Provisions	262.94	2256.10	-	2685.18	-
<b>Total (B)</b>	<b>452.14</b>	<b>2256.10</b>	<b>-</b>	<b>2715.18</b>	<b>-</b>
<b>Working Capital Gap (A)-(B)</b>	<b>3453.65</b>	<b>2638.10</b>	<b>-</b>	<b>7738.10</b>	<b>-</b>
<i>Less: Existing Bank Borrowings *</i>	52.56	0.00	-	0.00	-
Owned Funds/ Internal Accruals	3836.60	2638.10	0.00	3138.10	-
<b>Working Capital funding through Rights Issue Proceeds</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>4600.00</b>	<b>-</b>

*\*For details on the secured and unsecured loan, please refer to chapter titled "Statement of Financial Indebtness" on page no. 155 of this Draft Letter of Offer.*

#### Justification (FY 2022-23):

We will require working capital to increase based on the following holding periods :-

<b>Inventories</b>	We expect Inventory Holding days to be at appx. [●] Days for Fiscal 2022-23 which will be as per previous years trends.
<b>Trade Receivables</b>	We expect Debtors Holding days to be at appx. [●]days for Fiscal 2022-23 based on our policy to attract new customers
<b>Trade Payables</b>	We expect Creditor's payments days to be appx. [●] Days for Fiscal 2022-23 in line with our past experience.

## 2. General corporate purposes

Our Company intends to deploy the balance Net Proceeds aggregating to Rs. [●] Lakhs towards general corporate purposes, subject to such utilization not exceeding 25% of the Issue Proceeds, in compliance with applicable laws, to drive our business growth, including, amongst other things, (a) funding growth opportunities, including strategic initiatives; (b) acquiring assets, such as plant and machinery, furniture and fixtures, and intangibles; (c) meeting any expenses incurred in the ordinary course of business by our Company including salaries and wages, rent, administration expenses, insurance related expenses, and the payment of taxes and duties; (d) meeting of exigencies which our Company may face in course of any business, (e) brand building and other marketing expenses and (f) any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object i.e., the utilization of Net Proceeds. In case of a shortfall in the

Net Proceeds, our management may explore a range of options including utilizing our internal accruals or seeking debt from future lenders. Our management expects that such alternate arrangements would be available to fund any such shortfall. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the next Fiscal.

### 3. Issue Related Expenses

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs. [●] Lakhs.

Particulars	Estimates expenses (Rs. In Lakhs)	As a % of total estimated Issue related expenses	As a % of Issue size * #
Fees of Banker to the Issue, Registrar to the Issue, Legal Advisor, Auditor's Fees, including out of pocket expenses	[●]	[●]	[●]
Advertising, printing, distribution, marketing and stationery expenses	[●]	[●]	[●]
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	[●]	[●]	[●]
<b>Total estimated Issue expenses *^</b>	[●]	[●]	[●]

\*Amount will be finalised at the time of filing of the Letter of Offer and determination of Issue Price and other details.

\* Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards General Corporate Purposes. All Issue related expenses will be paid out of the Gross Proceeds received at the time of receipt of the subscription amount to the Rights Issue.

^Excluding taxes

#Assuming full subscription

### Bridge Financing Facilities

Our Company has not availed any bridge loans from any banks or financial institutions as on the date of this Draft Letter of Offer, which are proposed to be repaid from the Net Proceeds.

### Interim use of Net Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company will temporarily keep the Net Proceeds in deposits in one or more scheduled commercial banks (as included in the second schedule to the Reserve Bank of India Act, 1934) and as approved by the Board of Directors or in any such other manner as permitted under the SEBI ICDR Regulations or as may be permitted by the SEBI.

In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

### Monitoring of Utilization of Funds

As the size of the Issue does not exceed Rs. 10,000 lakhs, there is no requirement for the appointment of a monitoring agency. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds. Our Company will disclose the utilization of the Issue Proceeds, including interim use, under a separate head along with details, for all such Issue Proceeds that have not been utilized. Our Company will indicate investments, if any, of unutilized Issue Proceeds in the balance sheet of our Company for the relevant Financial Years subsequent to the listing.

We will also on an annual basis, prepare a statement of the funds which have been utilized for purposes other than those stated in this Letter of Offer, if any, and place it before the Audit Committee and the Board. Such disclosure

will be made only until all the Issue Proceeds have been utilized in full. The statement shall be certified by our Statutory Auditor. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchange on a quarterly basis, a statement including deviations and variations, if any, in the utilization of the Issue Proceeds from the Objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee.

### **Variation in Objects**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the shareholders by way of a special resolution. In addition, the notice issued to the shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act 2013. Pursuant to the Companies Act 2013, the Promoters or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects of the Issue at the fair market value of the Equity Shares as on the date of the resolution of our Board recommending such variation in the terms of the contracts or the objects referred to in the Letter of Offer, in accordance with such terms and conditions as may be specified on this behalf by SEBI.

### **Appraising Agency**

None of the Objects for which the Net Proceeds will be utilised, require appraisal from any agency, in accordance with applicable law.

### **Strategic or Financial Partners**

There are no strategic or financial partners to the Objects of the Issue.

### **Key Industry Regulations for the Objects of the Issue**

The Key Industry Regulations for the proposed Objects of the Issue are not different from the existing business of our Company.

### **Interest of Promoters and Directors in the objects of the Issue**

None of our Promoter, members of the Promoter Group and Directors have any interest in the Objects of the Issue, Mr. Sanket V. Shah. No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, Promoter Group, Directors and Key Managerial Personnel of our Company.





## PHILIP FERNANDES & CO.

*Chartered Accountants*

### STATEMENT OF SPECIAL TAX BENEFITS

#### STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO PRERNA INFRABUILD LIMITED ("THE COMPANY") AND THE SHAREHOLDERS OF THE COMPANY UNDER THE DIRECT AND INDIRECT TAX LAWS IN INDIA

To,  
**The Board of Directors**  
**PRERNA INFRABUILD LIMITED**  
PRERNA, Survey No. 820/1, In lane of Panchvati Auto,  
Opp. Anand Dham Derasar, S.G. Road,  
Ahmedabad-380058, Gujarat, India

Dear Sir,

**Re: Proposed rights issue of equity shares of face value of ₹ 10 each (the "Equity Shares" and such offering, the "Issue") of PRERNA INFRABUILD LIMITED (the "Company") pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI Regulations") and the Companies Act, 2013, as amended (the 'Act').**

We refer to the proposed right issue of equity shares (the "Offer") of PRERNA INFRABUILD LIMITED ("the Company"). We enclose herewith the statement (the "Annexure") showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the Indian direct and indirect tax laws including the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the "GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") (collectively the "Taxation Laws") including the rules, regulations, circulars and notifications issued in connection with the Taxation Laws, as presently in force and applicable to the assessment year 2023-24 relevant to the financial year 2022-23 for inclusion in the Draft Letter of Offer (collectively referred to as "Offer Documents") for the right issue of shares of the Company as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations").

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the direct and indirect taxation laws including the Income-tax Act 1961. Hence, the ability of the Company or its shareholders to derive these direct and indirect tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed Annexure are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultants, with respect to the specific tax implications arising out of their participation in the Offer particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. We are neither suggesting nor are we advising the investors to invest or not to invest money based on this statement.

The contents of the enclosed Annexure are based on the information, explanations and







## PHILIP FERNANDES & CO.

### Chartered Accountants

representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We do not express any opinion or provide any assurance whether:

- The Company or its Shareholders will continue to obtain these benefits in future;
- The conditions prescribed for availing the benefits have been/would be met;
- The revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include this report and the enclosed Annexure regarding the tax benefits available to the Company and its shareholders in the Offer Documents for the proposed right issue of equity shares which the Company intends to submit to the Securities and Exchange Board of India and BSE Limited (the "Stock Exchange") where the equity shares of the Company are proposed to be listed, as applicable, provided that the below statement of limitation is included in the Offer Documents.

We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Performs Audits and Reviews of Historical Financial information and Other Assurance and Related Services Engagements.

This statement is solely for your information and not intended for general circulation or publication and is not to be reproduced or used for any other purpose without our prior written consent, other than for inclusion of extracts of this statement in the Draft Letter of Offer/ Letter of Offer and submission of this statement to the Securities and Exchange Board of India, the stock exchanges where the Equity Shares of the Company are proposed to be listed, in connection with the proposed Issue, as the case may be.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

For, Philip Fernandes & Co.,

Chartered Accountants

Firm Registration No.: 128122W

  
PHILIP FERNANDES

Proprietor

Membership No. 125960

Place: Ahmedabad, Date: 30<sup>th</sup> January, 2023

UDIN: 23125960BGPWXV2454





## PHILIP FERNANDES & CO.

*Chartered Accountants*

### ANNEXURE I

#### STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO PRERNA INFRABUILD LIMITED (THE "COMPANY"), ITS SHAREHOLDERS AND ITS MATERIAL SUBSIDIARY

##### I. UNDER THE INCOME-TAX ACT, 1961 (hereinafter referred to as 'the Act')

###### 1. Special tax benefits available to the Company under the Act

There are no special tax benefits available to the Company.

###### 2. Special tax benefits available to the shareholders of the Company under the Act

There are no special tax benefits available to the shareholders of the Company.

###### 3. Special tax benefits available to the material subsidiary of the Company under the Act

There are no special tax benefits available to the material subsidiary of the Company.

##### Notes:

- The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
- The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
- The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2023-24.
- This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.
- No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.







## PHILIP FERNANDES & CO.

*Chartered Accountants*

### ANNEXURE 2

#### STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TO PRERNA INFRABUILD LIMITED (THE "COMPANY"), ITS SHAREHOLDERS AND ITS MATERIAL SUBSIDIARY

#### II. The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") (collectively referred to as "indirect tax")

##### 1. Special tax benefits available to the Company under the Indirect Tax

There are no special indirect tax benefits available to the Company.

##### 2. Special tax benefits available to the shareholders of the Company under the Indirect Tax

There are no special indirect tax benefits applicable in the hands of shareholders for investing in the shares of the Company.

##### 3. Special tax benefits available to the material subsidiary of the Company under the Indirect Tax

There are no special indirect tax benefits to the material subsidiary of the Company.

#### Notes:

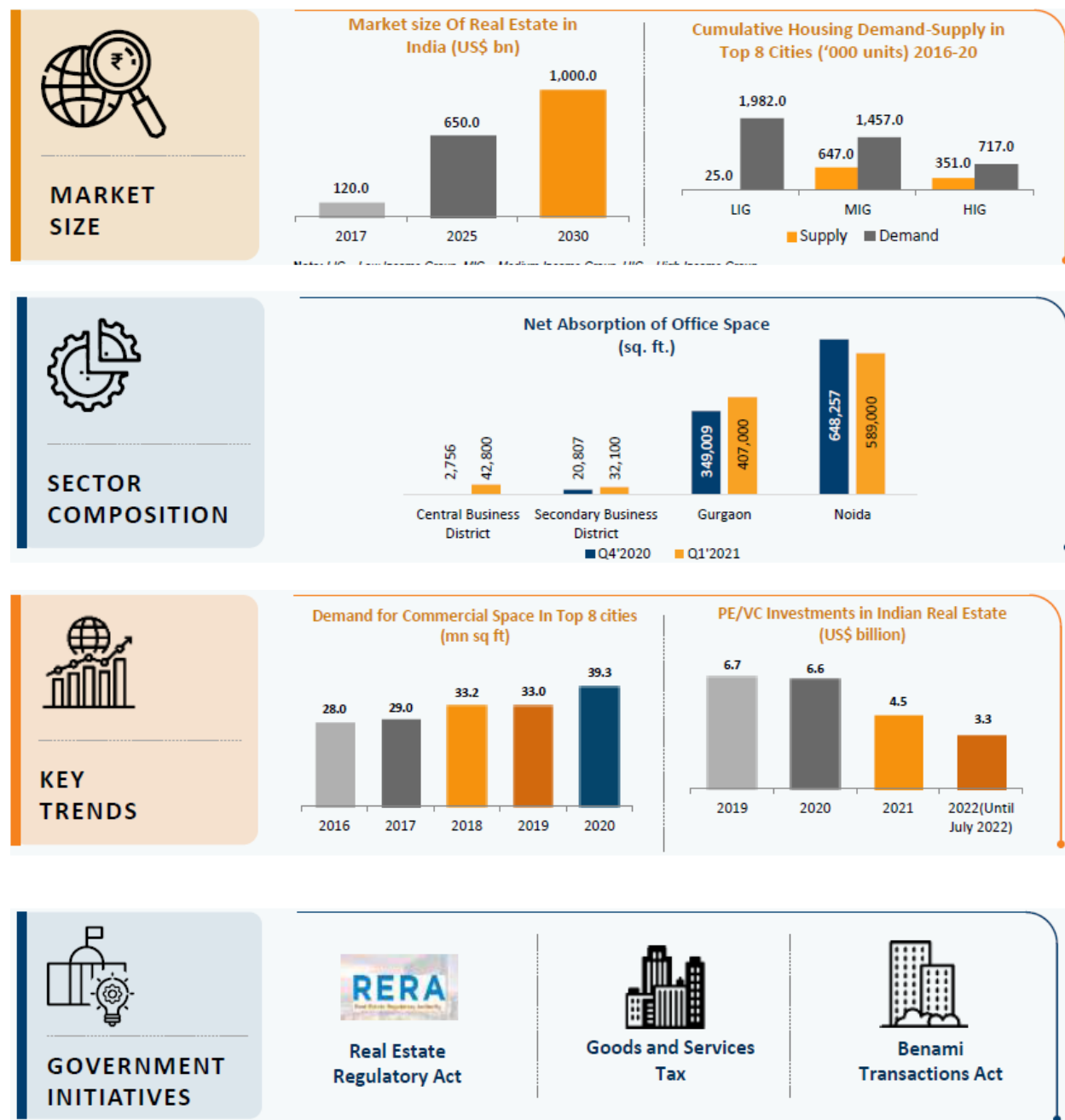
- The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.
- The above statement covers only above-mentioned tax laws benefits and does not cover any direct tax law benefits or benefit under any other law.
- This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice.
- No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.





## SECTION IV: ABOUT OUR COMPANY INDUSTRY OVERVIEW

Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.





## ADVANTAGE INDIA

- **Robust demand:** Organised retail real estate stock is expected to increase by 28% to 82 million sq. ft. by 2023.
- **Increasing Investments:** FDI in the sector (including construction development & activities) stood at US\$ 55.18 billion from April 2000-September 2022.
- **Policy support:** Under Union Budget 2021-22, tax deduction up to Rs. 1.5 lakh (US\$ 2069.89) on interest on housing loan, and tax holiday for affordable housing projects have been extended until the end of fiscal 2021-22.
- **Attractive opportunities:** As per ICRA estimates, Indian firms are expected to raise >Rs. 3.5 trillion (US\$ 48 billion) through infrastructure and real estate investment trusts in 2022, as compared with raised funds worth US\$ 29 billion to date. Private market investor, Blackstone, which has significantly invested in the Indian real estate sector (worth Rs. 3.8 lakh crore (US\$ 50 billion), is seeking to invest an additional Rs. 1.7 lakh crore (US\$ 22 billion) by 2030.

## BUSINESS OVERVIEW

*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Letter of Offer, including the information contained in the section titled 'Risk Factors', beginning on page no. 21 of this Draft Letter of Offer.*

*This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled 'Risk Factors' and the chapters titled 'Financial Statement' and 'Management Discussion and Analysis of Financial Conditions and Results of Operations' beginning on page no. 21, 74 and 156 respectively, of this Draft Letter of Offer.*

*Unless the context otherwise requires, in relation to business operations, in this section of this Draft Letter of Offer, all references to "we", "us", "our" and "our Company" are to PRERNA INFRABUILD LIMITED and Group Entities as the case may be.*

### Overview

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### INSURANCE

Our Company has taken any insurance cover at present. The Company will work towards taking insurance coverage to such amounts that will be sufficient to cover all normal risks associated with its operations and is in accordance with the industry standard.

### HUMAN RESOURCES/ EMPLOYEES

We believe that a team of committed and motivated employees is a key competitive advantage and will benefit us in our future growth and expansion. As of December 31, 2022, we had a total of 5 employees on the payroll of our Company. The table below shows the functional breakdown of our employees:

Designation	Number of Employees
Executive Directors	2
CEO, CFO Company Secretary & Compliance Officer & Senior Managerial	2
General Manager/ Managers / Officers / Executives	6
	<b>11</b>

## OUR PROPERTIES

The detail of our property is as follows:

Agreement Date; Lease Period	Name of the Lessor/ Vendor	Leased/ Owned	Location of the Property	Lease Fee/ Purchase Cost	Purpose
08-02-2022	Ganesh Housing	Owned	Tragad	151,521,588	Stock In Trade
02-02-2022	Surajben & Others	Owned	Soyla	1,725,653	Stock In Trade
27-09-2022	Khodabhai Patel	Owned	Shela	53,185,600	Stock In Trade

## INTELLECTUAL PROPERTY

As on the date of this Draft Letter of Offer, Our Company has registered its logo or company's name with the Registrar of Trademarks. Further, the company does not hold any other kind of Intellectual Property Rights.

## OUR MANAGEMENT

As per the Articles of Association and subject to the provisions of the Companies Act, our Company is required to have not less than three Directors and not more than fifteen Directors, unless otherwise determined by our Company through a special resolution. As on the date of this Draft Letter of Offer, our Board comprises of 6 (Six) Directors, of which 1 (One) Director is Managing Director, 1 (One) Director as Whole-time Director, 1 (one) Executive Director and 3 (Three) Directors are Non-executive Independent Directors out of which 2 (Two) are a woman Director. The composition of our Board is governed by the provisions of the Companies Act and the SEBI Listing Regulations and the norms of the code of corporate governance as applicable to listed companies in India.

### Our Board of Directors

The following table sets forth the details regarding our Board as on the date of this Draft Letter of Offer:

Name, Designation/Occupation, Address, Din No., Date of Birth, Occupation, Nationality	Date Of Appointment/ Re-appointment & Term	Other Directorships
<b>Mr. Vijay Chandulal Shah</b> <b>S/o. Mr. Chandulal Shah</b> <b>Date of Birth:</b> January 14, 1949 <b>Age:</b> 73 Years <b>Designation:</b> Chairman & Managing Director <b>Address:</b> 104, Prernatirth Bungalows Part-2, Nr. Prernatirth Jain Derasar, Jodhpur Gam, Satellite, Ahmedabad-380015, Gujarat, India <b>DIN:</b> 00038062 <b>Term:</b> 5 years <b>Occupation:</b> Business <b>Nationality:</b> Indian	Appointed as Promoter Director w.e.f. 13/04/1988	<ul style="list-style-type: none"> <li>• Prerna Builders Limited</li> <li>• Prerna Hospitals Private Limited</li> <li>• Prerna Stock Brokers Private Limited</li> <li>• Prernatirth Builders Private Limited</li> </ul>
<b>Mr. Sanket V. Shah</b> <b>W/o. Mr. Vijay Chandulal Shah</b> <b>Date of Birth:</b> May 18 1981 <b>Age:</b> 42 years <b>Designation:</b> Managing Director <b>Address:</b> 104, Prernatirth Bungalows Part-2, Nr. Prernatirth Jain Derasar, Jodhpur Gam, Satellite, Ahmedabad-380015, Gujarat, India	Appointed as Promoter Director w.e.f. 29/05/2004;	<ul style="list-style-type: none"> <li>• Prerna Builders Limited</li> <li>• Prerna Hospitals Private Limited</li> <li>• Prerna Stock Brokers Private Limited</li> <li>• Credai – Ahmedabad</li> <li>• Prernatirth Builders Private Limited</li> </ul>

Name, Designation/Occupation, Address, Din No., Date of Birth, Occupation, Nationality	Date Of Appointment/ Re-appointment & Term	Other Directorships
<b>DIN:</b> 00038121 <b>Term:</b> 5 years <b>Occupation:</b> Business <b>Nationality:</b> Indian		
<b>Mrs. Nalini V. Shah</b> <b>W/o. Mr. Vijay Chandulal Shah</b> <b>Date of Birth:</b> November 30, 1951 <b>Age:</b> 72 years <b>Designation:</b> Whole Time Director <b>Address:</b> 104, Prernatirth Bunglows Part-2, Nr. Prernatirth Jain Derasar, Jodhpur Gam, Satellite, Ahmedabad-380015, Gujarat, India <b>DIN:</b> 00119538 <b>Term:</b> Retire by Rotation <b>Occupation:</b> Business <b>Nationality:</b> Indian	Appointed as Director w.e.f. 13/04/1988;	<ul style="list-style-type: none"> <li>• Prerna Builders Limited</li> <li>• Prerna Hospitals Private Limited</li> <li>• Prerna Stock Brokers Private Limited</li> <li>• Prernatirth Builders Private Limited</li> </ul>
<b>Mr. Mahendra K. Gosalia</b> <b>S/o. Mr. Kantibhai Gosalia</b> <b>Date of Birth:</b> December, 17 1941 <b>Age:</b> 80 years <b>Designation:</b> Non-executive Independent Director <b>Address:</b> B/201, Prernashikhar, Nr. Auda Fire Station, Bodakdev, Ahmedabad-380054, Gujarat, India <b>DIN:</b> 02279850 <b>Term:</b> 5 years <b>Occupation:</b> Business <b>Nationality:</b> Indian	Appointed as Non-executive Independent Director on w.e.f. 08/08/2003	Ramana Safety And Systems (India) Limited
<b>Mr. Kiran Shah</b> <b>S/o. Mr. Hiralal Anopchand Shah</b> <b>Date of Birth:</b> January 17, 1946 <b>Age:</b> 77 years <b>Designation:</b> Non-executive Director <b>Address:</b> B/3, Matruashish Building, 7th Floor, 454, Nepeansea Road, Mumbai-400036, Maharashtra, India <b>DIN:</b> 02725833 <b>Term:</b> Retire By Rotation <b>Occupation:</b> Service <b>Nationality:</b> Indian	Appointed as Non-executive Director on w.e.f. 12/08/2006	NIL
<b>Mrs. Krupali R. Shah</b> <b>S/o. Mr. Atulkumar Kantilal Dagly</b> <b>Date of Birth:</b> May 05, 1984 <b>Age:</b> 39 years <b>Designation:</b> Non-executive Independent Director <b>Address:</b> B/1001, Prernashikhar, Nr. Auda Fire Station, Bodakdev, Ahmedabad-380054, Gujarat, India <b>DIN:</b> 08604775 <b>Term:</b> 5 years <b>Occupation:</b> Business <b>Nationality:</b> Indian	Appointed as Non-executive Independent Director on w.e.f. 14/11/2019	NIL

## **Relationship between Directors**

Except for Mr. Vijay Chandulal Shah and Mrs. Nalini V. Shah being spouse each other and Mr. Sanket V. Shah being Son to Mr. Vijay Chandulal Shah and Mrs. Nalini V. Shah; none of the other directors are related to each other and have any family relationships as per section 2(77) of the Companies Act, 2013., 2013.

## **Brief Profile of the Directors of our Company**

### **Mr.Vijay Chandulal Shah- Chairman**

**Mr.Vijay Chandulal Shah aged 73** the Promoter and Chairman of our company. He has completed his Bachelor of Commerce. He started his carrier at age of 25. He learnt . He led many new initiatives in PRERNA INFRABUILD LIMITED and has been key player in growth of company. He Looks after Business Development and Management of the Company. He also coordinates with Sales Team for client management, Proposals, Estimations and for the requirements generated from customers. He spearheads the overall functioning of our Company.

### **Mr. Sanket V. Shah – Managing Director**

**Mr. Sanket V. Shah aged 41 years is** the Promoter and Managing Director of our company. He has completed his Master's in Business Administration. He spells out the vision and the strategic direction of our Company and oversees our Company's expansion. Financial planning and process orientation at operational level has been his forte. In addition to driving revenue and profitability, a key part of his focus is to ensure that the appropriate structure is in place to deliver continued high levels of client satisfaction for growth in the Company.

### **Mrs. Nalini Vijay Shah –Whole Time Director**

**Mrs. Nalini Vijay Shah,** aged 72 years is the Whole-Time Director of our Company. She joined our Company since inception. She has completed her Bachelor Of Arts.

### **Mr. Mahendra K. Gosalia - Non Executive Director - Independent Director**

**Mr. Mahendra K. Gosalia,** aged 80 years is the Non-Executive Independent Director of our Company. He has done Diploma in Michenical Engineering. He has more than 50 years of experience in the field of Michenical Engineering. He has also experience of purchase, sale and overall management of the company alongwith He brings value addition to our Company.

### **Mr. Kiran Shah– Non Executive Director - Independent Director**

**Mr. Kiran Shah,** aged 77 years, is the Professional Non-Executive Director of our Company. He is a Bachelor Of Architecture He has more than 50 years of experience in this field. As a Director of our Company with corporate acumen, he brings value addition to our Company.

### **Mrs. Krupali R. Shah - Non Executive Independent Director**

**Mrs. Krupali R. Shah** aged 39 years is the Non-Executive Independent Director of Our company. She has completed Diploma - Information Technology.

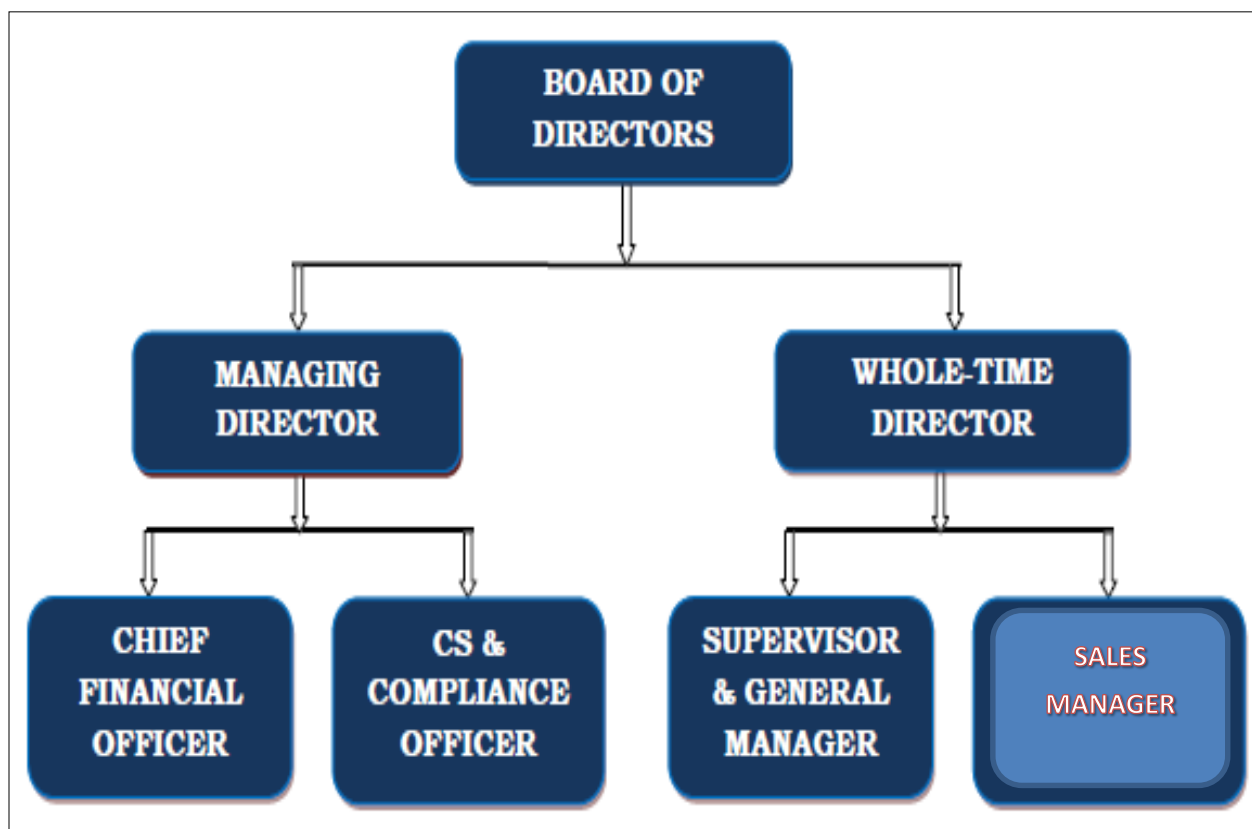
## **Confirmations**

- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director.
- There is no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- None of the Directors is categorized or are on the RBI List of wilful defaulters.
- None of our Directors are declared Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.
- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Letter of Offer, whose shares have been or were suspended from being traded on the Stock Exchange(s), during the term of their directorship in such company:
- None of our Directors is or was a director of any listed company whose shares have been or were delisted from the Stock Exchange(s), during the term of their directorship in such company in the past 10 years.
- None of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is

debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

For details on legal cases, please refer to the chapter titles “Outstanding Litigations And Material Developments” beginning on page 146 of this Letter of Offer.

### Management Organization Chart



### Corporate Governance

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting.

We have a Board constituted the Board Committees in compliance with the Companies Act. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically. Our Board has six Directors, comprising of one Managing Director, two Executive Director and two Non-Executive Independent Directors and one Professional Non-Executive Director.

Our Company has constituted the following Committees in compliance with the corporate governance norms:

- 1) Audit Committee;
- 2) Nomination and Remuneration Committee; and
- 3) Stakeholders Relationship Committee.

### Audit Committee

The Audit Committee was constituted pursuant to section 177 of the Companies Act, 2013 with the following members forming a part of the said Committee:

Name of the Director	Designation in the Committee	Nature of Directorship
Shri Kiran Shah	Chairman	Independent Director
Shri MahendraGosalia	Member	Independent Director

Shri Krupali Shah	Member	Independent Director
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The Company Secretary and Compliance Officer of the Company acts as the secretary of the Audit Committee.

Set forth below are the scope, functions and the terms of reference of our Audit Committee, in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015.

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- 2) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- 4) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions
  - Qualifications in the draft audit report.
- 5) Reviewing, with the management, the half yearly financial statements before submission to the board for approval
- 6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document//notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- 7) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- 8) Approval or any subsequent modification of transactions of the company with related parties;
- 9) Scrutiny of inter-corporate loans and investments;
- 10) Valuation of undertakings or assets of the company, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- 13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- 14) Discussion with internal auditors any significant findings and follow up there on.
- 15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- 16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- 18) To review the functioning of the Whistle Blower mechanism.
- 19) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- 20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Explanation (ii): If the Issuer has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

***The Audit Committee enjoys following powers:***

- a) To investigate any activity within its terms of reference

- b) To seek information from any employee
- c) To obtain outside legal or other professional advice
- d) To secure attendance of outsiders with relevant expertise if it considers necessary
- e) The audit committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee.

***The Audit Committee shall mandatorily review the following information:***

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

***Quorum and Meetings***

The audit committee shall meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be a minimum of two independent members present. Since the formation of the committee, no Audit Committee meetings have taken place.

**Stakeholder`s Relationship Committee**

The Shareholders and Investors Grievance Committee have been formed by the Board of Directors pursuant to section 178 (5) of the Companies Act, 2013 with the following members forming a part of the said Committee:

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Shri MahendraGosalia	Chairman	Non-Executive-Independent Director
Shri Sanket Shah	Member	Executive Director
Shri Vijay C Shah	Member	Executive Director

The Company Secretary and Compliance Officer of the Company acts as the secretary of the Shareholders/ Investors Grievance Committee.

This Committee will address all grievances of Shareholders and Investors in compliance of the provisions of section 178 (5) of the Companies Act, 2013and its terms of reference include the following:

1. Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares;
2. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
3. Allotment of shares, monitoring and approving transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
4. Reference to statutory and regulatory authorities regarding investor grievances;
5. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
6. And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers; and
7. Carrying out any other function contained in the SEBI (LODR) Regulations as and when amended from time to time.

**Quorum and Meetings**



The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be two members or one third of the members, whichever is greater. Since the formation of the committee, no Stakeholders Relationship Committee meetings have taken place.

### **Nomination and Remuneration Committee**

The constitution of the Nomination and Remuneration Committee was constituted at a meeting of the Board of Directors pursuant to section 178 of the Companies Act, 2013 with the following members forming a part of the said Committee:

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Shri Kiran Shah	Chairman	Non-Executive-Independent Director
Shri MahendraGosalia	Member	Non-Executive-Independent Director
Shri Krupali Shah	Member	Non-Executive-Independent Director

The Company Secretary and Compliance Officer of the Company acts as the secretary of the Nomination and Remuneration Committee.

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

- 1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- 2) Formulation of criteria for evaluation of Independent Directors and the Board;
- 3) Devising a policy on Board diversity;
- 4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report;
- 5) To recommend to the Board, the remuneration packages i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc. of the executive directors;
- 6) To implement, supervise and administer any share or stock option scheme of our Company; and
- 7) To attend to any other responsibility as may be entrusted by the Board within the terms of reference.

### **Quorum and Meetings**

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater.

### **Policy on Disclosures and Internal Procedure for Prevention of Insider Trading**

Our Company undertakes to comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, after listing of our Company's shares on the Stock Exchanges. Our Company Secretary and Compliance Officer is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of price sensitive information and in the implementation of the code of conduct under the overall supervision of the Board.

### **Our Key Management Personnel and Senior Management Personnel**

<b>Name</b>	<b>Designation</b>	<b>Date of Appointment/ Re-Appointment (as the case may be)</b>
Mr. Vijay C Shah	Chairman & Managing Director	20-01-2020
Mr. Sanket V. Shah	Managing Director & CFO	20-01-2020
Mrs. Nalini V. Shah	Whole time Director	20-01-2020
Mr. Mahendra K. Gosalia	Independent Director	26-09-2019
Mr. Kiran Shah	Independent Director	26-09-2019
Mrs. Krupali R. Shah	Independent Director	14-11-2019

Name	Designation	Date of Appointment/ Re-Appointment (as the case may be)
Ms. Megha R Shah	CS & Compliance Officer	31-07-2020

#### **Relationship between Key Managerial Personnel's**

Except for Mr. Vijay Chandulal Shah and Mrs. Nalini V. Shah being spouse each other and Mr. Sanket V. Shah being Son to Mr. Vijay Chandulal Shah and Mrs. Nalini V. Shah; none of the other directors are related to each other and have any family relationships as per section 2(77) of the Companies Act, 2013., 2013.

#### **Status of Key Managerial Personnel**

All our key managerial personnel are permanent employees of our Company.

#### **Bonus or Profit Sharing Plan for our Key Managerial Personnel**

As on the date of this Letter of Offer our Company does not have any performance linked bonus or profit sharing plan with any of our key managerial personnel.

#### **Employees Stock Option Scheme**

Our Company does not have any Employee Stock Option Scheme/ Employee Stock Purchase Scheme as on the date of filing of the Letter of Offer.

#### **Payment or Benefit to officers of our Company**

Except as stated in the Letter of Offer and any statutory payments made by our Company, no non-salary amount or benefit has been paid, in two preceding years, or given or is intended to be paid or given to any of our Company's officers except remuneration of services rendered as Directors, officers or employees of our Company.

Except as stated in the section "Financial Statements" on page 74 of the Letter of Offer, none of the beneficiaries of loans and advances and sundry debtors are related to our Company, our Directors or our Promoters.

Currently, our Company does not have any profit sharing plans or any employee stock option or purchase schemes for our employees.

#### **Arrangements and Understanding with Major Shareholders**

None of our key managerial personnel or Directors has been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

## OUR PROMOTER

The Promoters of our Company are follows:

S.no	Promoters Name	Category	Shareholding
1.	Shah Vijay Chandulal (Huf)	Promoter Group	10,58,978
2.	Vijay Chandulal Shah	Promoter	11,28,257
3.	Swetal Vijay Shah	Promoter Group	6,62,527
4.	Nalini Shah	Promoter	18,06,377
5.	Sanket Shah	Promoter	1,32,468
6.	Niyati Shah	Promoter Group	1,000
7.	Sanket V Shah (Huf)	Promoter Group	25,96,759

As on date of this Draft Letter of Offer, Our Promoters together hold 73,86,366 Equity Shares having face value of Rs. 10 per share and representing 61.34 % of the pre-issue Paid up Capital of our Company.

Our Company confirms that the permanent account number, bank account number and passport number in case of our Individual Promoters shall be submitted to the Stock Exchanges at the time of filing this Draft Letter of Offer.

### Our Individual Promoters:

#### Mr. Vijay Chandulal Shah

For details of the educational qualifications, experience, other directorships, positions / posts held by our Individual Promoter, please see the chapter titled “Our Management” on page 64 of this Draft Letter of Offer. He holds 11,28,257 Equity Shares constituting 9.37% of our issued, subscribed and paid-up equity share capital.

#### Mrs. Nalini Shah

For details of the educational qualifications, experience, other directorships, positions / posts held by our Individual Promoter, please see the chapter titled “Our Management” on page 64 of this Draft Letter of Offer. She holds 18,06,377 Equity Shares constituting 15 % of our issued, subscribed and paid-up equity share capital.

#### Mr. Sanket Shah

For details of the educational qualifications, experience, other directorships, positions / posts held by our Individual Promoter, please see the chapter titled “Our Management” on page 64 of this Draft Letter of Offer. He holds 1,32,468 Equity Shares constituting 1.10 % of our issued, subscribed and paid-up equity share capital

### Confirmations

- 1) None of our Promoters or members of our Promoter Group have been declared as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.
- 2) Our Promoters have not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
- 3) None of our Promoters or Promoter Group entities have been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoters and members of the Promoter Group are not and have never been promoters, directors or person in control of any other company, which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

- 4) Except as disclosed in the 'Outstanding Litigation and Material Developments' on page 168 of this Draft Letter of Offer, there is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Issue against our Promoters.

#### **DIVIDEND POLICY**

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited, consolidated net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities.

Our Company has not declared any dividends in last 3 fiscal years. There are no dividends declared by our Company since incorporation.

## SECTION V: FINANCIAL INFORMATION

### FINANCIAL STATEMENTS

Sr. No.	Particulars	Page Number
1	Audited Financial Results for March 31, 2022	75
2	Limited Review Report for December 31, 2022	123
3	Restated Summary Statements as at and for the years ended March 31, 2022, 2021 and 2020 and December 31, 2022	130

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To,

The Members of

**PRERNA INFRABUILD LTD**

**(Formerly known as Prerna Finsafe Ltd)**

### **Report on Standalone Financial statements**

We have audited the accompanying standalone financial statements of **PRERNA INFRABUILD LTD** ("the company") which comprise the Balance Sheet as at 31<sup>st</sup> March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

### **Management Responsibility for the financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

Reg. office: 622/A Bakri Pole Nr. Swaminarayan Temple, Kalupur, Ahmedabad-380001







*Vijay Chauhan & Associates*

Chartered Accountants  
**Vijay D. Chauhan**  
ACA, B.Com

1st Floor, Suratwala Gaj House,  
Opp. Haja Patel Ni Pole, Opp. The Raymond Shop,  
Relief Road, Kalupur, Ahmedabad-380001.  
E-mail : vijaychauhan17491@yahoo.com

We have taken into account the provision of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made there under.

We conducted our audit in accordance with the standards on auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment the Risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial controls relevant to company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by company's Directors, as well as evaluating the overall presentation of financial statements.

We believe that audit evidence we obtain is sufficient and appropriate to provide basis for our audit opinion on the standalone financial statements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2022 and its profit/(Loss) (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Reg. office: 622/A Bakri Pole Nr. Swaminarayan Temple, Kalupur, Ahmedabad-380001





**Report on other Legal and Regulatory Requirements and Our Opinion:**

As required by the Companies (Auditor's Report) Order, 2016('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

1) Further to the comments in the Annexure referred to above:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of the books.
- (c) The standalone financial statements dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;
- (e) On the basis of written representation received from the Directors and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31<sup>st</sup> March 2022 from being appointed as a Director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" and;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and



Reg. office: 622/A Bakri Pole Nr. Swaminarayan Temple, Kalupur, Ahmedabad-380001





**Vijay Chauhan & Associates**  
Chartered Accountants  
**Vijay D. Chauhan**  
ACA, B.Com

1st Floor, Suratwala Gaj House,  
Opp. Haja Patel Ni Pole, Opp. The Raymond Shop,  
Relief Road, Kalupur, Ahmedabad-380001.  
E-mail : vijaychauhan17491@yahoo.com

- iii. Unpaid dividend of Rs.2,46,667/-is required to be transferred to the Investor Education and Protection Fund by the Company.

Place:Ahmedabad  
Date: 20/04/2022

For Vijay Chauhan & Associates  
Chartered Accountants  
ICAI firm Reg No 136918W



Proprietor  
(Vijay D Chauhan)  
M.N. 156563

UDIN: 22156563AHKWTY6750



*Vijay Chauhan & Associates*

Chartered Accountants

**Vijay D. Chauhan**

ACA, B.Com

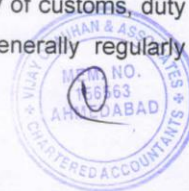
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Relief Road, Kalupur, Ahmedabad-380001.  
E-mail : vijaychauhan17491@yahoo.com

**Annexure (A) to Auditors' Report**

**Referred to in our report to members of Prerna Infrabuild Limited on the financial statements for the year 31<sup>st</sup> March, 2022**

- i. (a) Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) Title deeds of immovable properties are held in the name of the company.
- (c) These fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- ii. Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
- iii. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered by clause (76) of Section 2 of the Companies Act, 2013.
- iv. In our opinion the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans investments guarantees and security.
- v. The Company has not accepted any deposits from the public and complied with the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, wherever applicable. There is no order passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- vi. The company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- vii. We are informed that the Central Government has not prescribed maintenance of Cost Records under Sub Section (1) of Section 148 of the Companies Act for the business in which the company is engaged.
- viii. (a) According to the records of the Company, undisputed statutory dues including provident Fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have been generally regularly deposited with the appropriate authorities.

Reg. office: 622/A Bakri Pole Nr. Swaminarayan Temple, Kalupur, Ahmedabad-380001







**Vijay Chauhan & Associates**

Chartered Accountants  
**Vijay D. Chauhan**  
ACA, B.Com

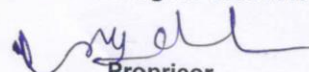
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E-mail : vijaychauhan17491@yahoo.com

- a) According to the information and explanations given to us, no undisputed amounts is payable which is outstanding as at 31st March 2022 for a period of more than six months from the date of becoming payable.
- b) According to records of the company, no amount is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2056(1 of 2056) and the rules made there under.
- ix. Moneys raised by way of public issue/ follow-on offer (including debt instruments) and term loans were applied for the purposes for which those are raised.
- x. Managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 207 read with schedule V to the Companies Act?
- xi. Any fraud by the company or any fraud on the Company by its officers/ employees has not been noticed or reported during the year.
- xii. Since company is not Nidhi Company, clause not applicable.
- xiii. Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review.
- xiv. All transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable IND AS.
- xv. The company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**Place: Ahmedabad**  
**Date: 20/04/2022**



**For Vijay Chauhan & Associates**  
**Chartered Accountants**  
**ICAI firm Reg No 136918W**

  
**Proprietor**  
**(Vijay D Chauhan)**  
**M.N. 155563**

**UDIN: 22156563AHKWTY6750**

Reg. office: 622/A Bakri Pole Nr. Swaminarayan Temple, Kalupur, Ahmedabad-380001



**Annexure (B) to Auditors' Report**

Referred to in paragraph 1(f) under "Report on other legal and regulatory requirements" of our report of even date)

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the Internal Financial Control over financial reporting of **Prerna Infrabuild Ltd** ("the Company") as of 31st March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year then ended.

**Management Responsibility for the Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

Reg. office: 622/A Bakri Pole Nr. Swaminarayan Temple, Kalupur, Ahmedabad-380001







We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

**For Vijay Chauhan & Associates**  
Chartered Accountants  
(Firm Reg No 136918W)

Proprietor  
(M.N.156563)  
Place: Ahmedabad



Date: 20/04/2022

UDIN: 22156563AHKWTY6750

Reg. office: 622/A Bakri Pole Nr. Swaminarayan Temple, Kalupur, Ahmedabad-380001

PRERNA INFRABUILD LIMITED				
STANDALONE BALANCE SHEET AS AT 31ST MARCH,2022				
	Particulars	Note No.	As at 31 March, 2022	As at 31 March, 2021
			Rupees in Lakh	Rupees in Lakh
<b>A</b>	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
	Property, plant and equipment	2	92.08	125.48
	Capital Work in progress			-
	Investment property	3	3.49	3.49
	Other intangible assets			-
	Financial assets			
	Investments	4	236.00	76.76
	Loans			
	Other financial assets			
	Deferred tax assets (net)	5	15.42	12.60
	Other non current assets	6	37.37	1,194.87
			384.36	1,413.20
2	<b>Current assets</b>			
	Inventories	7	3,416.75	2,059.43
	Financial assets			
	Current investments			
	Trade receivables	8	1.50	-
	Cash and cash equivalents	9	421.02	241.10
	Bank balance other than (iii) above			
	Loans			
	other financial assets			
	Current Tax Assets (net)	10	51.16	63.79
	Other Current Assets	11	66.51	133.89
			3,956.94	2,498.21
	<b>TOTAL</b>		4,341.30	3,911.41
	<b>EQUITY AND LIABILITIES</b>			
1	<b>Equity</b>			
	Equity Share Capital	12	1,204.25	1,204.25
	Other Equity	13	2,632.35	2,045.36
			3,836.60	3,249.61
2	<b>Non-current liabilities</b>			
	Other long-term liabilities	14	19.94	52.56
			19.94	52.56
3	<b>Current liabilities</b>			
	Other current liabilities	15	481.07	605.55
	Short-term provisions	16	3.69	3.69
			484.76	609.24
	<b>TOTAL</b>		4,341.30	3,911.41
	Significant Accounting Policies	1		
See accompanying notes forming part of the financial statements In terms of our report attached.				
<b>For Vijay Chauhan &amp; Associates</b>		<b>For and on behalf of the Board of Directors</b>		
<b>Chartered Accountants</b>		<b>Chairman &amp; M.D.</b>		
ICAI Firm Reg No: 136918W		<b>(Vijay C Shah) Sd/-</b>		
		<b>Managing Director</b>		
		<b>(Sanket V Shah) Sd/-</b>		
		<b>Whole-Time Director</b>		
		<b>(Nalini V Shah) Sd/-</b>		
<b>Proprietor</b>		<b>Place :Ahmedabad</b>		
<b>M.N. 156563</b>		<b>Date :</b>		
<b>Place : Ahmedabad</b>				
<b>Date :</b>				

PRERNA INFRABUILD LIMITED				
STATEMENT OF STANDALONE PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2022				
	Particulars	Note No.	For the year ended 31 March, 2022	For the year ended 31 March, 2021
			Rupees in Lakh	Rupees in Lakh
1	Revenue from operations	17	2,320.93	391.12
2	Other income	18	14.14	11.64
3	<b>Total revenue (1+2)</b>		<b>2,335.07</b>	<b>402.76</b>
4	<b>Expenses</b>			
	(a) Cost of materials consumed	19	2,669.00	585.51
	(b) Purchase/sales return of finished stock	20	-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	-1,357.32	-349.11
	(d) Employee benefits expense	22	117.16	84.74
	(e) Finance costs	23	6.42	7.94
	(f) Depreciation and amortisation expense		34.89	42.74
	(g) Other expenses	24	140.74	48.85
	<b>Total expenses</b>		<b>1,610.90</b>	<b>420.67</b>
5	<b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		724.17	-17.91
6	Exceptional items		-	-
7	<b>Profit / (Loss) before extraordinary items and tax (5 ± 6)</b>		<b>724.17</b>	<b>-17.91</b>
8	<b>Tax expense:</b>			
	(a) Current tax		140.00	-
	(b) Tax relating to prior years		-	-
	(c) Deferred tax credit		-2.81	-3.62
9	<b>Profit / (Loss) for the year (07 ± 8)</b>		<b>586.99</b>	<b>-14.30</b>
10	<b>Earnings per share (of Rs.10/- each):</b>			
	(a) Basic		4.8743	-0.12
	(b) Diluted		4.8743	-0.12
	Significant Accounting Policies	1		
See accompanying notes forming part of the financial statements In terms of our report attached.				
<b>For Vijay Chauhan &amp; Associates</b> <b>Chartered Accountants</b> <b>ICAI Firm Reg No: 136918W</b>		<b>For and on behalf of the Board of Directors</b> <b>Chairman &amp; M.D.</b> <b>(Vijay C Shah) Sd/-</b> <b>Managing Director</b> <b>(Sanket V Shah) Sd/-</b> <b>Whole-Time Director</b> <b>(Nalini V Shah) Sd/-</b> <b>Place : Ahmedabad</b> <b>Date :</b>		
<b>Proprietor</b> <b>M.N. 156563</b> <b>Place : Ahmedabad</b> <b>Date :</b>				

**PRERNA INFRABUILD LIMITED**  
**STATEMENT OF STANDALONE CASH FLOWS FOR THE YEAR ENDED 31ST MARCH,2022**

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
	Rupees in Lakh	Rupees in Lakh
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	724.17	-17.91
<u>Adjustments for:</u>		
Depreciation and amortisation	34.89	42.74
(Profit) / loss on sale / write off of assets		
Finance costs	6.42	7.94
Interest income	-0.00	-11.64
Net (gain) / loss on sale of investments	-	-
Rental income from investment properties	-	-
Operating profit / (loss) before working capital changes	765.49	21.13
<u>Changes in working capital:</u>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	-1,357.32	-349.11
Trade receivables	-1.50	-
Short-term loans and advances	-	-
Long-term loans and advances	-	-
Other current assets	77.19	-13.68
Other non-current assets	1,157.50	269.27
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Other current liabilities except unpaid dividend	-124.48	-59.11
Other long-term liabilities	-32.63	-22.82
Short-term provisions	-	-
Cash generated from operations	<b>484.25</b>	<b>-154.33</b>
Net income tax debited	137.19	
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>347.06</b>	<b>-154.33</b>
<b>B. Cash flow from investing activities</b>		
Proceeds from increase in capital	-	
Proceeds from sale of fixed assets	-	2.45
Purchase of Fixed assets	-1.50	-39.42
Bank balances not considered as Cash and cash equivalents		
- Placed		-
- Matured		-
Sale of Current invest.not considered as Cash and cash equivalents	-	-
Purchase of current investments	-159.24	67.82
Interest received	0.00	11.64
Dividend received	-	-
Rental income from investment properties	-	-
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>-160.74</b>	<b>42.49</b>
<b>C. Cash flow from financing activities</b>		
Repayment of other short-term borrowings	-	-
Finance cost	-6.42	-7.94
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>-6.42</b>	<b>-7.94</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>179.91</b>	<b>-119.78</b>
Cash and cash equivalents at the beginning of the year	238.64	358.42
<b>Cash and cash equivalents at the end of the year</b>	<b>418.54</b>	<b>238.64</b>



Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
	Rupees in Lakh	Rupees in Lakh
<b>Reconciliation of Cash and cash equivalents with the Balance</b>		
Cash and cash equivalents as per Balance Sheet (Refer Note 19)	421.02	241.10
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 <i>Cash Flow Statements : Unpaid Dividend: Rs.246667/- (Prev Yr 246667)</i>	2.47	2.47
	418.55	238.63
<b>Cash and cash equivalents at the end of the year *</b>	<b>418.55</b>	<b>238.63</b>
* Comprises:		
(a) Cash on hand	-	0.93
(c) Balances with banks		
(i) In current accounts	66.03	137.70
(iii) In deposit accounts with original maturity of less than 3 months	352.52	100.00
	<b>418.55</b>	<b>238.63</b>
<b>Notes:</b>		
(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.		
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.		
<b>See accompanying notes forming part of the financial</b>		
See accompanying notes forming part of the financial statements		
In terms of our report attached.		
<b>For Vijay Chauhan &amp; Associates</b>	<b>For and on behalf of the Board of Directors</b>	
<b>Chartered Accountants</b>	<b>Chairman &amp; M.D.</b>	
<b>ICAI Firm Reg No: 136918W</b>	<b>(Vijay C Shah) Sd/-</b>	
	<b>Managing Director</b>	
	<b>(Sanket V Shah) Sd/-</b>	
	<b>Whole-Time Director</b>	
	<b>(Nalini V Shah) Sd/-</b>	
<b>Proprietor</b>	<b>Place:Ahmedabad</b>	
<b>M.N. 156563</b>	<b>Date:</b>	
<b>Place : Ahmedabad</b>		
<b>Date :</b>		

**PRERNA INFRABUILD LTD**  
**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH,2022**

Particulars	Equity Share Application	Equity Share Capital	Security Premim Account	Revaluation Reserve	General Reserve	Retained Earning	Total other equity
Balance as at 1st April 2021	0.00	1204.25	1032.25	0.54	232.46	780.12	2045.36
Add: Share application received	0.00	0.00	0.00	0.00	0.00	0.00	
Add: Profit during the year	0.00	0.00	0.00	0.00	0.00	586.99	586.99
Balance as at 31-03-2022	0.00	1204.25	1032.25	0.54	232.46	1367.10	2632.35

See accompanying notes forming part of the financial statements In terms of our report attached.

**For Vijay Chauhan & Associates**

**For and on behalf of the Board of Directors**

**Chartered Accountants**

**ICAI Firm Reg No: 136918W**

**Proprietor**  
**M.N. 156563**  
**Place : Ahmedabad**  
**Date :**

**Sd/-**  
**Chairman & M.D.**  
**(Vijay C Shah)**

**Sd/-**  
**Managing Director**  
**(Sanket V Shah)**

**Sd/-**  
**Whole-Time Director**  
**(Nalini V Shah)**

**PRERNA INFRABUILD LTD****Notes forming part of the standalone financial statements**

<b>Note</b>	<b>Particulars</b>
<b>1 Significant accounting policies:</b>	
<b>a Basis of accounting and preparation of financial statements</b>	<p>The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules as amended from time to time. The financial statements have been prepared under the historical cost convention, with the exception of certain financial assets and liabilities, which have been measured at fair value, on an accrual basis of accounting. The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest lakhs, except when otherwise indicated. The statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 - Statement of Cash Flows.</p>
<b>b Use of estimates</b>	<p>The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.</p>
<b>c Inventories</b>	<p>Inventories are valued at the lower of cost (on FIFO / weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.</p>
<b>d Cash and cash equivalents (for purposes of Cash Flow Statement)</b>	<p>Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.</p>
<b>e Statement of cash flows:</b>	<p>Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.</p>
<b>f Depreciation and amortisation</b>	<p>Depreciation has been provided on the written down method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in assets costing less than Rs.5,000 each are fully depreciated in the year of capitalisation</p>
<b>g Revenue recognition</b>	
<b>i <u>Accounting of construction contracts</u></b>	<p>The company follows the percentage completion method based on the stage of completion at the balance sheet date, taking into account the contractual price and revision thereto by estimating total revenue and total cost till completion of the contract and the profit so determined has been accounted for proportionate to the percentage of actual work done. Project revenue is recognised at the percentage of work completed to total sales consideration as per agreements to sale/ allotments executed. Project costs which are recognised in the statement of profit and loss by reference to the stage of completion of the project activity are matched with the revenue recognised resulting in the reporting of revenue, expenses and profit which can be attributed to the proportion of work completed.</p>
<b>ii <u>Income from services</u></b>	<p>Rent is recognised on time proportion basis.</p>

**h Other income**

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable EIR. Dividend is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

**i Tangible fixed assets**

Fixed assets, except land are carried at cost less accumulated depreciation and impairment losses, if any. The company capitalized all cost relating to acquisition and installation of fixed assets.

Borrowing costs are capitalised as part of qualifying fixed assets. Other borrowing costs are expensed.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date are disclosed as "Capital Advances" under short term advances and cost of fixed assets not ready to use before such dates are disclosed under "Capital work in progress".

**j Impairment of Assets**

At each Balance Sheet date, the management makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value, which is higher of net selling price and value in use. Any impairment loss is charged to statement of profit and loss in the year in which it is identified as impaired.

**k Investments**

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current Investments are stated at lower of cost and fair value. Long term investments are stated at cost of acquisition. Provision for diminution is made when such diminution is considered other than temporary in nature. Valuation is determined on the basis of each category of investments.

**l Retirement Benefits to Employees:**

As per explanation provided to us, retirement benefits of employees will be followed by the company as and when applicable.

**m Taxation**

a. Current tax is determined on the profit for the year in accordance with the provisions of the Income tax Act, 1961.

b. Deferred tax is calculated at the rates and laws that have been enacted or substantively enacted as of the Balance Sheet date and is recognized on timing difference that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence are recognized and carried forward only to the extent that they can be realized.

C. Company has recognised profit of Rs.6.08 Cr from Scheme " Perna Ashtamangal" which is eligible for deduction u/s 80IB of Income Tax Act for which necessary MAT provision has been made by the company.

**n Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognised, but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

**o Expenses relating to amalgamation:**

The expense relating to amalgamation is carried as an asset and is amortised over a period of 5 years from the date of the amalgamation.

<b>PRERNA INFRABUILD LIMITED</b>		
<b>Notes forming part of the standalone financial statements</b>		
<b>Particulars</b>	<b>As at 31 March, 2022</b>	<b>As at 31 March, 2021</b>
	<b>Rupees in Lakh</b>	<b>Rupees in Lakh</b>
<b>Note 3 Non-current investments:</b>		
(a) Terrace Rights at A-1103 Prerna Shikhar	0.50	0.50
(b) Property at Cellar-Prerna Arbour	2.99	2.99
	-	-
<b>Total</b>	<b>3.49</b>	<b>3.49</b>
<b>Note 4 Non Current Investment:</b>		
Investments in Associate concerns	-	-
Prerna Infrabuild (Firm in which company holds 50% share)	102.35	76.76
Prerna Solitaire LLP (LLP in which company holds 33% share)	133.65	-
<b>Total</b>	<b>236.00</b>	<b>76.76</b>
<b>Note 5 Deferred Tax Assets:</b>		
(c) Deferred tax assets	15.42	12.61
(On difference of depreciation as per books and IT)	-	-
<b>Total</b>	<b>15.42</b>	<b>12.61</b>
<b>Note 6 Other non-current assets:</b>		
<b>(a) Deposit with :</b>		
GIHED	-	10.00
(b) Rent receivable	1.39	1.39
(b) Advance for purchase of land	23.11	1,173.11
	-	-
(d) Other advances	12.87	10.37
<b>Total</b>	<b>37.37</b>	<b>1,194.87</b>
<b>Note 7 Inventories:</b>		
(At lower of cost and net realisable value)		
Prerna Rajvijay Tirth -	303.44	349.77
Prerna Artica-WIP	925.24	1,228.62
Prerna Ashtamangal	145.74	481.04
Tragad and Shela Scheme	2,042.33	-
<b>Total</b>	<b>3,416.75</b>	<b>2,059.43</b>
<b>Note 8 Trade Receivables:</b>		
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment #	1.50	-
Unsecured, considered good	-	-
(b) Other Trade receivables	-	-
Unsecured, considered good	-	-
<b>Total</b>	<b>1.50</b>	<b>-</b>

<b>PRERNA INFRABUILD LIMITED</b>		
<b>Notes forming part of the standalone financial statements</b>		
<b>Note 9 (a) Cash and cash equivalents:</b>	-	-
<b>(a) Cash on hand</b>	-	0.93
<b>(b) Balances with banks</b>	-	-
(i) In current accounts	66.02	137.70
<b>Note 9 (b) Other Bank Balance:</b>	-	-
(i) Term deposits having remaining maturity of more than 3 months but not more than 1 year (Refer Note (i) below)	352.52	100.00
(ii) In earmarked accounts	-	-
- Unpaid dividend accounts	2.47	2.47
BOM-Equity Warrant A/c	0.01	0.01
<b>Total</b>	<b>421.02</b>	<b>241.11</b>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 <i>Cash Flow Statements</i> is Rs246667 (Pre Vr 234816/-)	-	-
<b>Note:10 Current Tax Assets</b>	-	-
(a) Advance income tax (net of provisions 14946779/- (As at 31 March, 2021 Rs.6075654) - Unsecured, considered good	<b>51.16</b>	<b>63.79</b>
<b>Note 11 Other current assets</b>	-	-
(a) Loans and advances to employees	-	-
Unsecured, considered good	0.52	-
(b) Prepaid expenses - Unsecured, considered good	2.52	3.54
(c) Balances with government authorities	-	-
Unsecured, considered good	-	-
Service Tax Paid receivable	-	-
(d) Other Advances - Unsecured, considered good with AUDA	-	-
(e) Advance to vendors	-	8.11
( f ) GST Credit	27.25	91.91
(g) Other advance	34.40	29.98
(h) Accrued interest on FD	1.83	0.35
<b>Total</b>	<b>66.52</b>	<b>133.89</b>

PRERNA INFRABUILD LIMITED				
Notes forming part of the standalone financial statements				
Particulars	As at 31 March, 2022		As at 31 March, 2021	
	Number of shares	Rupees	Number of shares	Rupees
<b>Note: 12 Share Capital</b>				
<b>(a) Authorised</b>				
13000000 (P.Y. 8000000) Equity shares of Rs.10/- each with voting rights	13,000,000	130,000,000	13,000,000	130,000,000
<b>(b) Issued, Subscribed and fully paid up</b>				
12042510 (P.Y.12042510) Equity shares of Rs.10/- each with voting rights	12,042,510	120,425,100	12,042,510	120,425,100
<b>Refer Notes (i) to (viii) below</b>	<b>12,042,510</b>	<b>120,425,100</b>	<b>12,042,510</b>	<b>120,425,100</b>
<b>(a) Reconciliation of number of shares</b>				
Shares outstanding as at 1st April,2021/1st April 2020	12042510		12042510	
Shares outstanding as at 31st March,22/31st March 21	12042510		12042510	
<b>(b) List of shareholding more than 5% of the total number of shares issued by the company:</b>				
<b>Name of the shareholders</b>				
Class of shares / Name of shareholder	As at 31 March, 2022		As at 31 March, 2020	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Sanket Vijay Shah HUF	2596759	21.56	2273919	18.88
Nalini Vijay Shah	1806377	15.00	1806377	15.00
Grishma Alkeshbhai Shah	990000	8.22	990000	8.22
Alkeshbhai S Shah	990000	8.22	990000	8.22
Vijay C Shah	1128257	9.37	852713	7.08
The company has issued only one class of shares having a par value of Rs.10/- each. Each shareholder of equity share is entitled to one vote per share.				

<b>PRERNA INFRABUILD LIMITED</b>		
<b>Notes forming part of the standalone financial statements</b>		
<b>Particulars</b>	<b>As at 31 March, 2022</b>	<b>As at 31 March, 2021</b>
	<b>Rupees in Lakh</b>	<b>Rupees in Lakh</b>
<b>Note 13 Other Equity</b>		
<b>(a) Securities Premium Account:</b>	1,032.25	1,032.25
<b>(b) Revaluation Reserve:</b>	0.54	0.54
<b>(c) General Reserve:</b>		
Opening balance	232.46	232.46
Closing balance	<b>232.46</b>	<b>232.46</b>
<b>(d) Surplus / (Deficit) in Statement of Profit and Loss:</b>		
Opening balance	780.12	794.41
Add: Profit / (Loss) for the year	586.99	(14.30)
Closing balance	<b>1,367.10</b>	<b>780.12</b>
<b>Total</b>	<b>2,632.35</b>	<b>2,045.36</b>
<b>Note 14 Other Long term liabilities</b>		
(a) Secured car loan	19.95	52.56
(Against hypothecation of car)	-	-
(b) Rent Depoist	-	-
<b>Total</b>	<b>19.95</b>	<b>52.56</b>
<b>Note 15 Other current liabilities</b>		
(a) Secured car loan	32.62	33.81
(Against hypothecation of car)	-	-
(b) Unsecured loan from director	-	94.94
	-	-
<b>(a) Unpaid Dividends *</b>	2.47	2.47
	-	-
<b>(b) Other payables:</b>		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, GST, TDS etc.)	3.31	3.91
(ii) Advances from customers	-	-
Prerna Artika	47.79	104.75
Prerna Rajvijay	-	1.00
Prerna Ashtamangal	205.68	194.36
(iii) Others (specify nature)	-	-
Sundry Creditors	189.20	161.39
Liability for Expenses	-	8.93
	-	-
	<b>481.07</b>	<b>605.55</b>
* These amount represent warrants issued to the shareholders which remained unrepresented as on 31st March 2022	-	-
	-	-
<b>Note 16 Short-term provisions</b>		
<b>(a) Provision for employee benefits:</b>		
(b)(i) Provision for expeses	3.69	3.69
<b>Total</b>	<b>3.69</b>	<b>3.69</b>



<b>PRERNA INFRABUILD LIMITED</b>		
<b>Notes forming part of the standalone financial statements</b>		
<b>Particulars</b>	<b>For the year ended 31 March, 2022</b>	<b>For the year ended 31 March, 2021</b>
	<b>Rupees in lakh</b>	<b>Rupees in lakh</b>
<b>Note 17 Revenue from operations:</b>		
(a) Sale of Shops/flat (Refer Note (i) below):	2,319.76	390.00
(b) Interest from partnership firm	-	-
(c) Profit of partnership firm	-2.83	1.12
(d) Other operating income	4.00	-
<b>Total</b>	<b>2,320.93</b>	<b>391.12</b>
<b>Note:</b>	-	-
(i) Sale of plots comprises:	-	-
Sale of Bungalow -Prerna Ashtamangal	1,417.96	-
Sale of shop at Prerna Artika	840.49	0.00
Sale of flat at "Prerna Rajvijay Scheme	61.31	22.10
	-	-
<b>Total - Sale of manufactured goods</b>	<b>2,319.76</b>	<b>390.00</b>
<b>Note 18 Other income</b>		
(a) Interest income (Refer Note (i) below):	13.68	11.64
(b) Dividend income:	-	-
(c) Net gain on sale of:		
Current investments:	-	-
<b>Total</b>	<b>13.68</b>	<b>11.64</b>
Note (i) Interest income comprises:	-	-
Interest from banks on:	-	-
-Fixed Deposits	13.68	11.64
	-	-
<b>Total - Interest income</b>	<b>0.00</b>	<b>11.64</b>
(d) Other non-operating income comprises:	-	-
Misc income	0.46	-
<b>Total - Other non-operating income</b>	<b>0.46</b>	<b>-</b>
<b>Total - Other income (a+b+c+d)</b>	<b>14.14</b>	<b>11.64</b>
<b>Note 19. Cost of materials consumed:</b>		
<b>Opening Stock:</b>		
Add: Purchases and other project Exp.	2,042.33	-
Add: Prerna Ashtamangal Project Exp	466.30	292.95
Add: Prerna Artika Exp	126.04	288.56
Add: Other Direct Exp	34.33	4.00
	2,669.00	585.51
Less: Closing stock	-	-
<b>Cost of material consumed</b>	<b>2,669.00</b>	<b>585.51</b>

Material consumed comprises:	-	-
Prerna Ashtamagal	466.30	292.95
Prerna Aartika	126.04	288.56
Shela, Tragad and others	2,076.66	4.00
<b>Total</b>	<b>2,669.00</b>	<b>585.51</b>
<b>Note 20 Purchase/sales return of finished goods</b>	-	-
<b>Total</b>	-	-
<b>Note 21.Changes in inventories of finished goods, work-in-progress and stock-in-trade:</b>		
<b>Inventories at the end of the year:</b>		
Work-in-progress	-	-
Prerna Raj Vijay Tirth Project	303.44	349.77
Prerna Artika Project	925.24	1,228.62
Prerna Ashtamagal Project	145.74	481.04
Tragad and Shela Scheme	2,042.33	-
	3,416.75	2,059.43
<b>Inventories at the beginning of the year:</b>		
<b>Work-in-progress</b>		
Prerna Raj Vijay Tirth Project	349.77	354.73
Prerna Artika Project	1,228.62	1,167.49
Prerna Ashtamagal Project	481.04	188.10
	2,059.43	1,710.32
<b>Net (increase) / decrease</b>	<b>-1,357.32</b>	<b>-349.11</b>
<b>Note 22 Employee benefits expense</b>	-	-
Directors Remuneration	72.00	72.00
Salaries and wages	42.63	12.74
Bonus & leave salary	2.54	-
<b>Total</b>	<b>117.16</b>	<b>84.74</b>
<b>Note 23 Finance costs</b>	-	-
(a) Interest expense	-	-
- Interest on car loan	5.98	7.50
- GST late fees and penalty	0.15	-
- Interest On TDS	0.29	0.45
<b>Total</b>	<b>6.42</b>	<b>7.94</b>

<b>Note 24 Other expenses</b>	-	-
Insurance	6.81	4.98
Office Expenses	4.43	1.37
Printing and stationery	1.41	-
Advertisement Exps.	8.12	0.85
Business promotion	11.21	1.50
Legal and professional	23.38	8.23
Membership Fees	1.28	0.13
Miscellaneous expenses	2.04	3.23
Auditors Remuneration	-	-
- statutory audit	0.50	0.50
- taxation matters	-	-
Bank Charges	0.02	0.03
Listing Fees	3.72	4.08
Trade Mark renewal fees	-	0.20
Website Exp	1.02	-
Security Expenses	3.07	-
Shilpalay Redevelopment Exp	4.00	-
Petrol and conveyance	2.12	1.04
Repairs and maintenance - Others	5.26	3.19
Penalty	-	1.93
Travel Exp	0.97	-
Telephone exp	0.71	0.69
Brokerage on sale of flat	51.67	7.20
Internet exp	-	0.08
Auda Charges	6.62	1.70
Municipal tax	-	1.12
Rera Fees	0.11	0.00
Sundry balance w/off	-	0.17
Electricity charges	2.10	2.44
Sale deed registration charge	0.07	4.04
ROC charges	0.11	0.15
	-	-
<b>Total</b>	<b>140.74</b>	<b>48.85</b>

**PRERNA INFRABUILD LIMITED****Notes forming part of the standalone financial statements****Additional information to the financial statements**

	Particulars	As at 31 March, 2022	As at 31 March, 2021
		Rupees	Rupees
<b>Note 25</b>	<b>Contingent liabilities and commitments (to the extent not provided for)</b>		
(i)	Contingent liabilities		
(a)	Order of the Superintendent of Stamps, Gandhinagar is received by the company regarding stamp duty payable on amalgamation and transfer of ownership, which the company has not agreed to and want to chalange. Total amount as per order Rs.1331015/-. Company has provided Rs.400000/-.	931,015.00	931,015.00
(b)	Company has received the bill of Rs.1168852/- from Uttar Gujarat Vij Company Ltd towards use of electricity at site of Prerna Aura, Andej, Ta: Sanad, Dist: Ahmedabad. Company has went into appeal after paying Rs.350655/-.	818,197.00	818,197.00

**Note 26 Additional information pursuant to the provisions of Schedule VI to the companies Act 1956**

	Particulars		
a	<b>Value of imports calculated on CIF basis:</b>	<b>As at 31 March, 2022</b>	<b>As at 31 March, 2021</b>
		Rupees	Rupees
	Raw materials, Components, Spare parts	NIL	NIL
b	<b>Expenditure in foreign currency:</b>	<b>As at 31 March, 2022</b>	<b>As at 31 March, 2021</b>
		Rupees	Rupees
	Since expenditure involves foreign currency but the original payment by the Company itself is in Rupees, no disclosure is	NIL	NIL
c	<b>Details of consumption of imported and indigenous items *</b>	<b>As at 31 March, 2022</b>	<b>As at 31 March, 2021</b>
		Rupees	Rupees
	Raw materials		
	Imported	-	-
	Indigineous	2669	586
d	<b>Earning in foreign currencies (on accrual basis)</b>	<b>As at 31 March, 2022</b>	<b>As at 31 March, 2021</b>
		Rupees	Rupees
		NIL	NIL

**Note 27 Disclosures under Accounting Standards 7 (Revised)**

	Particulars	As at 31 March, 2022	As at 31 March, 2021
		Rupees	Rupees
	<b>Details of contract revenue and costs</b>		
a	Contract Revenue	2,320	390
b	Contract cost incurred	1,312	236
c	Recognised profit and losses	1,008	154
d	Advance received	253	295
e	Retention money	-	-
f	Gross amount due from Customers for contract work	-	-
g	Gross amount due to Customers for contract work	-	-

**PRERNA INFRABUILD LIMITED****Notes forming part of the standalone financial statements****Note 28: Segment Reporting:**

Company has been carrying out construction activity and providing services of safe deposit vault. Since the business segment of safe deposit vault does not meet the basis criteria of treating the same as reportable segment, the management has decided to prepare the consolidated financial statement.

**Note 29: Related party transactions****Details of related parties:**

Description of relationship	Names of related parties
Key Management Personal-Chairman	Vijay C Shah
Key Management Personal-Managing Director	Sanket Vijay Shah
Key Management Personal-Whole Time Director	Nalini V. Shah
Associated Enterprise	M/s Prerna Infrabuild

Note: Related parties have been identified by the Management.

**Details of related party transactions during the year ended 31 March, 2022 and balances outstanding as at 31 March, 2022**

	KMP	Associated Enterprise	Total
Managerial Remuneration:			
Vijay C Shah	24.00		24.00
Sanket V Shah	24.00		24.00
Nalini V Shah	24.00		24.00
<u>Prerna Infrabuild (Firm 50% Share)</u>			
Investment net of repayment in Firm		27	27
Profit/(loss) from firm		(1.10)	(1.10)
Closing Investment in Prerna Infrabuild Ltd (50%)		101.85	101.85
<u>Prerna Solitair LLP (LLP 33% Share)</u>			
Investment net of repayment in LLP		133.64	133.64
Profit/(loss) from firm		(0.03)	(0.03)
Closing Investment in Prerna Infrabuild Ltd (50%)		133.61	133.61

PRERNA INFRABUILD LIMITED			
Notes forming part of the standalone financial statements			
Note 30	Earnings Per Share		
	Net Profit after tax for the year has been used as the numerator and number of shares has been used as denominator for calculating the basic & diluted earning per share.		
	PARTICULARS	31-Mar-2021	31-Mar-2020
		Rupees	Rupees
	Face Value Per Share	10	10
	Net Profit after Tax	-14	76684
	Weighted average Number of Shares	12042510	12042510
	Basic Earnings per Share	0.00	0.01
Diluted Earnings per Share	0.00	0.01	
Note 31	Micro, Small and Medium Enterprises Development Act, 2006		
	In accordance with the Notification No. GSR 719 ( E ) dt 16.11.2007, issued by the Ministry of Corporate Affairs, certain disclosures are required to be made relating to Micro and Small Enterprises as defined under the Micro, Small and Medium Development Act 2006. The Company is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is still not available, no disclosures have been made in the accounts.		
In terms of our report attached.			
For Vijay Chauhan & Associates		For and on behalf of the Board of Directors	
Chartered Accountants		Chairman & M.D.	
ICAI Firm Reg No: 136918W		(Vijay C Shah)	Sd/-
		Managing Director	
		(Sanket V Shah)	Sd/-
		Whole-Time Director	
		(Nalini V Shah)	Sd/-
Proprietor		Place :Ahmedabad	
M.N. 156563		Date :	
Place : Ahmedabad			
Date :			





*Vijay Chauhan & Associates*

Chartered Accountants

**Vijay D. Chauhan**

ACA, B.Com

1st Floor, Suratwala Gaj House,  
Opp. Haja Patel Ni Pole, Opp. The Raymond Shop,  
Relief Road, Kalupur, Ahmedabad-380001.  
E-mail : vijaychauhan17491@yahoo.com

To,

The Members of

**PRERNA INFRABUILD LTD**

**(Formerly known as PrernaFinsafe Ltd)**

### **Report on Consolidated Financial statements**

We have audited the accompanying consolidated financial statements of **PRERNA INFRABUILD LTD** ("the company"), its subsidiaries and its joint ventures (Collectively referred to as "the Group") which comprise the consolidated Balance Sheet as at 31<sup>st</sup> March 2022, the consolidated Profit & Loss statement and consolidated Cash flow statement and the consolidated statement of Changes in Equity for the year ended and a summary of significant policies and other explanatory information.

### **Management Responsibility for the consolidate financial Statements**

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("The Act") with respect to the preparation and presentation of these consolidated financial statements that give true and fair view of financial position, financial performance, cash flow of the group and consolidated changes in equity of the group in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give true and fair view and are free of material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.



**Reg Office: 622/A, Bakri Pole, Nr: Swaminarayan Temple, Kalupur, Ahmedabad, Gujarat-380001**



We have taken into account the provision of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made there under.

We conducted our audit in accordance with the standards on auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment the Risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial controls relevant to company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by company's Directors, as well as evaluating the overall presentation of consolidated financial statements.

We believe that audit evidence obtained by us is sufficient and appropriate to provide basis for our audit opinion on the consolidated financial statements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022 and its consolidated profit/(Loss) and its cash flows and consolidated changes in equity for the year ended on that date.

#### **Report on other Legal and Regulatory Requirements and Our Opinion:**

- 1) AS required by Section 143(3) of the Act, we report to the extent applicable, that:

**Reg Office: 622/A, Bakri Pole, Nr: Swaminarayan Temple, Kalupur, Ahmedabad, Gujarat-380001**







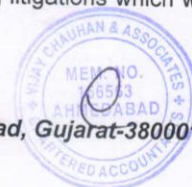
*Vijay Chauhan & Associates*

Chartered Accountants  
**Vijay D. Chauhan**  
ACA, B.Com

1st Floor, Suratwala Gaj House,  
Opp. Haja Patel Ni Pole, Opp. The Raymond Shop,  
Relief Road, Kalupur, Ahmedabad-380001.  
E-mail : vijaychauhan17491@yahoo.com

- (a). We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of aforesaid consolidated financial statements;
- (b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor reports.
- (c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with IndAS specified under section 133 of the Act.
- (e) On the basis of written representation received from the Directors and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31<sup>st</sup> March 2022 from being appointed as a Director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" and;
- (g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements does not have any pending litigations which would impact its financial position;

Reg Office: 622/A, Bakri Pole, Nr: Swaminarayan Temple, Kalupur, Ahmedabad, Gujarat-380001





**Vijay Chauhan & Associates**

Chartered Accountants  
**Vijay D. Chauhan**  
ACA, B.Com

1st Floor, Suratwala Gaj House,  
Opp. Haja Patel Ni Pole, Opp. The Raymond Shop,  
Relief Road, Kalupur, Ahmedabad-380001.  
E-mail : vijaychauhan17491@yahoo.com

- ii. The Consolidated financial statements does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. Unpaid dividend of Rs.2,46,667/-is required to be transferred to the Investor Education and Protection Fund by the Company.

Place:Ahmedabad  
Date: 20/04/2022



For Vijay Chauhan & Associates.  
Chartered Accountants  
ICAI firm Reg No 136918W

Proprietor  
(Vijay D Chauhan)  
M.N. 156563

UDIN: 22156563AHKWTY6750

Reg Office: 622/A, Bakri Pole, Nr: Swaminarayan Temple, Kalupur, Ahmedabad, Gujarat-380001





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#### Annexure (A) to Auditors' Report

Referred to in paragraph 1(f) under the heading "Report on other legal and regulatory requirements" of our report of even date.

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the Internal Financial Control over financial reporting of PrernaInfrabuild Limited (hereinafter referred to as "the Company") as of 31st March, 2022 in conjunction with our audit of the consolidated financial statements of the Company for the year then ended.

#### **Management's Responsibility for Internal Financial Control**

The respective Board of Directors of the Holding company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting



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#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Holding Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

#### **Other Matters**

Our aforesaid reports under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting is based solely on our report on the standalone financial statement of the Company for the year ended 31st March, 2022, since it did not have any subsidiary, associate or jointly controlled companies which are incorporated in India as on that date.

**For Vijay Chauhan & Associates**  
**Chartered Accountants**  
**(Firm Reg No 136918W)**

**Proprietor**  
**(M.N.156563)**  
**Place: Ahmedabad**  
**Date: 20/04/2022**  
**UDIN: 22156563AHKWY6750**



**Reg Office: 622/A, Bakri Pole, Nr: Swaminarayan Temple, Kalupur, Ahmedabad, Gujarat-380001**

PRERNA INFRABUILD LIMITED				
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH,2022				
	Particulars	Note No.	As at 31 March, 2022	As at 31 March, 2021
			Rupees in Lakh	Rupees in Lakh
<b>A</b>	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
	Property, plant and equipment	2	92.08	125.48
	Capital Work in progress			-
	Investment property	3	3.49	3.49
	Other intangible assets			-
	Financial assets			
	Investments	4	184.82	38.38
	Loans			
	Other financial assets			
	Deferred tax assets (net)	5	15.42	12.61
	Other non current assets	6	37.37	1,194.87
			333.18	1,374.83
2	<b>Current assets</b>			
	Inventories	7	3,467.35	2,110.03
	Financial assets			
	Current investments			
	Trade receivables	8	1.50	-
	Cash and cash equivalents	9	421.08	241.22
	Bank balance other than (iii) above			
	Loans			
	other financial assets			
	Current Tax Assets (net)	10	51.88	64.21
	Other Current Assets	11	66.62	136.19
			4,008.43	2,551.65
	<b>TOTAL</b>		4,341.61	3,926.48
	<b>EQUITY AND LIABILITIES</b>			
1	<b>Equity</b>			
	Equity Share Capital	12	1,204.25	1,204.25
	Other Equity	13	2,632.35	2,045.36
			3,836.60	3,249.61
2	<b>Non-current liabilities</b>			
	Other long-term liabilities	14	20.19	67.57
			20.19	67.57
3	<b>Current liabilities</b>			
	Other current liabilities	15	481.07	605.55
	Short-term provisions	16	3.75	3.75
			484.82	609.30
	<b>TOTAL</b>		4,341.61	3,926.48
	Significant Accounting Policies	1		
See accompanying notes forming part of the financial statements In terms of our report attached.				
<b>For Vijay Chauhan &amp; Associates</b>		<b>For and on behalf of the Board of Directors</b>		
<b>Chartered Accountants</b>		<b>Chairman &amp; M.D.</b>		
ICAI Firm Reg No: 136918W		<b>(Vijay C Shah) Sd/-</b>		
		<b>Managing Director</b>		
		<b>(Sanket V Shah) Sd/-</b>		
<b>Proprietor</b>		<b>Whole-Time Director</b>		
<b>M.N. 156563</b>		<b>(Nalini V Shah) Sd/-</b>		
<b>Place : Ahmedabad</b>		<b>Place :Ahmedabad</b>		
<b>Date :</b>		<b>Date :</b>		

PRERNA INFRABUILD LIMITED				
STATEMENT OF CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2022				
	Particulars	Note No.	For the year ended 31 March, 2022	For the year ended 31 March, 2021
			Rupees in Lakh	Rupees in Lakh
1	Revenue from operations	17	2,372.03	447.91
2	Other income	18	14.14	11.64
3	<b>Total revenue (1+2)</b>		<b>2,386.17</b>	<b>459.54</b>
4	<b>Expenses</b>			
	(a) Cost of materials consumed	19	2,669.19	585.51
	(b) Purchase/sales return of finished stock	20	50.81	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	-1,357.32	-297.61
	(d) Employee benefits expense	22	117.16	84.74
	(e) Finance costs	23	6.42	7.94
	(f) Depreciation and amortisation expense		34.89	42.74
	(g) Other expenses	24	140.85	54.14
	<b>Total expenses</b>		<b>1,662.00</b>	<b>477.46</b>
5	<b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		724.17	-17.91
6	Exceptional items		-	-
7	<b>Profit / (Loss) before extraordinary items and tax (5 ± 6)</b>		<b>724.17</b>	<b>-17.91</b>
8	<b>Tax expense:</b>			
	(a) Current tax		140.00	-
	(b) Tax relating to prior years		-	-
	(c) Deferred tax credit		-2.81	-3.62
9	<b>Profit / (Loss) for the year (07 ± 8)</b>		<b>586.99</b>	<b>-14.30</b>
10	<b>Earnings per share (of Rs.10/- each):</b>			
	(a) Basic		0.00	-0.00
	(b) Diluted		0.00	-0.00
	Significant Accounting Policies	1		

See accompanying notes forming part of the financial statements

In terms of our report attached.

**For Vijay Chauhan & Associates**

**Chartered Accountants**

**ICAI Firm Reg No: 136918W**

**Proprietor**

**M.N. 156563**

**Place : Ahmedabad**

**Date :**

**For and on behalf of the Board of Directors**

**Chairman & M.D.**

**(Vijay C Shah) Sd/-**

**Managing Director**

**(Sanket V Shah) Sd/-**

**Whole-Time Director**

**(Nalini V Shah) Sd/-**

**Place : Ahmedabad**

**Date :**

**PRERNA INFRABUILD LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH,2022**

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
	Rupees in Lakh	Rupees in Lakh
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	724.17	-17.91
<u>Adjustments for:</u>		-
Depreciation and amortisation	34.89	42.74
(Profit) / loss on sale / write off of assets	-	-
Finance costs	6.42	7.94
Interest income	-0.00	-11.64
Net (gain) / loss on sale of investments	-	-
Rental income from investment properties	-	-
Operating profit / (loss) before working capital changes	765.49	21.13
<u>Changes in working capital:</u>		-
<i>Adjustments for (increase) / decrease in operating assets:</i>		-
Inventories	-1,357.32	-297.61
Trade receivables	-1.50	-
Short-term loans and advances	-	-
Long-term loans and advances	-	-
Other current assets	79.09	-15.27
Other non-current assets	1,157.50	269.27
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		-
Other current liabilities except unpaid dividend	-124.48	-59.11
Other long-term liabilities	-47.39	-39.57
Short-term provisions	-	-
Cash generated from operations	<b>471.39</b>	<b>-121.17</b>
Net income tax debited	137.19	-
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>334.20</b>	<b>-121.17</b>
<b>B. Cash flow from investing activities</b>		-
Proceeds from increase in capital	-	-
Proceeds from sale of fixed assets	-	2.45
Purchase of Fixed assets	-1.50	-39.42
Bank balances not considered as Cash and cash equivalents		-
- Placed		-
- Matured		-
Sale of Current invest.not considered as Cash and cash equivalents	-	-
Purchase of current investments	-146.44	33.91
Interest received	0.00	11.64
Dividend received	-	-
Rental income from investment properties	-	-
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>-147.93</b>	<b>8.58</b>
<b>C. Cash flow from financing activities</b>		-
Repayment of other short-term borrowings	-	-
Finance cost	-6.42	-7.94
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>-6.42</b>	<b>-7.94</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>179.85</b>	<b>-120.53</b>
Cash and cash equivalents at the beginning of the year	238.75	359.28
<b>Cash and cash equivalents at the end of the year</b>	<b>418.60</b>	<b>238.75</b>

PRERNA INFRABUILD LTD							
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH,2022							
Particulars	Equity Share Application	Equity Share Capital	Security Premim Account	Revaluation Reserve	General Reserve	Retained Earning	Total other equity
Balance as at 1st April 2021	0.00	1204.25	1032.25	0.54	232.46	780.12	2045.36
Add: Share application received		0.00	0.00	0.00	0.00	0.00	0.00
Add: Profit during the year	0.00	0.00	0.00	0.00	0.00	586.99	586.99
Balance as at 31-03-2022	0.00	1204.25	1032.25	0.54	232.46	1367.10	2632.35
See accompanying notes forming part of the financial statements In terms of our report attached.							
For Vijay Chauhan & Associates				For and on behalf of the Board of Directors			
Chartered Accountants							
ICAI Firm Reg No: 136918W							
Proprietor			Sd/-	Sd/-	Sd/-		
M.N. 156563			Chairman & M.D.	Managing Director	Whole-Time Director		
Place : Ahmedabad			(Vijay C Shah)	(Sanket V Shah)	(Nalini V Shah)		
Date :							

See accompanying notes forming part of the financial			
See accompanying notes forming part of the financial statements			
In terms of our report attached.			
For Vijay Chauhan & Associates		For and on behalf of the Board of Directors	
Chartered Accountants		Chairman & M.D.	
ICAI Firm Reg No: 136918W		(Vijay C Shah) Sd/-	
		Managing Director	
		(Sanket V Shah) Sd/-	
Proprietor		Whole-Time Director	
M.N. 156563		(Nalini V Shah) Sd/-	
Place : Ahmedabad		Place :Ahmedabad	
Date :		Date :	



**PRERNA INFRABUILD LTD****Notes forming part of the consolidated financial statements**

Note	Particulars
<b>1</b>	<b>Significant accounting policies:</b>
<b>a</b>	<b>Basis of accounting and preparation of financial statements</b>
	The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules as amended from time to time. The financial statements have been prepared under the historical cost convention, with the exception of certain financial assets and liabilities, which have been measured at fair value, on an accrual basis of accounting. The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest lakhs, except when otherwise indicated. The statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 - Statement of Cash Flows.
<b>b</b>	<b>Use of estimates</b>
	The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.
<b>c</b>	<b>Inventories</b>
	Inventories are valued at the lower of cost (on FIFO / weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.
<b>d</b>	<b>Cash and cash equivalents (for purposes of Cash Flow Statement)</b>
	Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.
<b>e</b>	<b>Statement of cash flows:</b>
	Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.
<b>f</b>	<b>Depreciation and amortisation</b>
	Depreciation has been provided on the written down method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in assets costing less than Rs.5,000 each are fully depreciated in the year of capitalisation
<b>g</b>	<b>Revenue recognition</b>
<b>i</b>	<u>Accounting of construction contracts</u>
	The company follows the percentage completion method based on the stage of completion at the balance sheet date, taking into account the contractual price and revision thereto by estimating total revenue and total cost till completion of the contract and the profit so determined has been accounted for proportionate to the percentage of actual work done. Project revenue is recognised at the percentage of work completed to total sales consideration as per agreements to sale/ allotments executed. Project costs which are recognised in the statement of profit and loss by reference to the stage of completion of the project activity are matched with the revenue recognised resulting in the reporting of revenue, expenses and profit which can be attributed to the proportion of work completed.
<b>ii</b>	<u>Income from services</u>
	Rent from Safe vault is recognised on accrual basis

<b>h Other income</b>	Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable EIR. Dividend is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.
<b>i Tangible fixed assets</b>	Fixed assets, except land are carried at cost less accumulated depreciation and impairment losses, if any. The company capitalized all cost relating to acquisition and installation of fixed assets. Borrowing costs are capitalised as part of qualifying fixed assets. Other borrowing costs are expensed. Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date are disclosed as "Capital Advances" under short term advances and cost of fixed assets not ready to use before such dates are disclosed under "Capital work in progress".
<b>j Impairment of Assets</b>	At each Balance Sheet date, the management makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value, which is higher of net selling price and value in use. Any impairment loss is charged to statement of profit and loss in the year in which it is identified as impaired.
<b>k Investments</b>	Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current Investments are stated at lower of cost and fair value. Long term investments are stated at cost of acquisition. Provision for diminution is made when such diminution is considered other than temporary in nature. Valuation is determined on the basis of each category of investments.
<b>l Retirement Benefits to Employees:</b>	As per explanation provided to us, retirement benefits of employees will be followed by the company as and when applicable.
<b>m Taxation</b>	<p>a. Current tax is determined on the profit for the year in accordance with the provisions of the Income tax Act, 1961.</p> <p>b. Deferred tax is calculated at the rates and laws that have been enacted or substantively enacted as of the Balance Sheet date and is recognized on timing difference that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence are recognized and carried forward only to the extent that they can be realized.</p> <p>c. Company has recognised profit of Rs.6.08 Cr from Scheme " Prema Ashtamangal" which is eligible for deduction u/s 80IB of Income Tax Act for which necessary MAT provision has been made by the company.</p>
<b>n Provisions, Contingent Liabilities and Contingent Assets</b>	Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognised, but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.
<b>o Expenses relating to amalgamation:</b>	The expense relating to amalgamation is carried as an asset and is amortised over a period of 5 years from the date of the amalgamation.

**PRERNA INFRABUILD LIMITED****Notes forming part of the consolidated financial statements**

Particulars	As at 31 March, 2022	As at 31 March, 2021
	Rupees in Lakh	Rupees in Lakh
<b>Note 3 Non-current investments:</b>		
(a) Tarrace Rights at A-1103 Prerna Shikhar	0.50	0.50
(b) Property at Cellar-Prerna Arbour	2.99	2.99
	-	-
<b>Total</b>	<b>3.49</b>	<b>3.49</b>
<b>Note 4 Non Current Investment:</b>		
Investments in Associate concerns		
Prerna Infrabuild (Firm in which company holds 50% share) (Excess of share)	51.18	38.38
Prerna Solitaire LLP (LLP in which company holds 33% share)	133.65	-
<b>Total</b>	<b>184.83</b>	<b>38.38</b>
<b>Note 5 Deferred Tax Assets:</b>		
(c) Deferred tax assets	15.42	12.61
(On difference of depreciation as per books and IT)		
<b>Total</b>	<b>15.42</b>	<b>12.61</b>
<b>Note 6 Other non-current assets:</b>		
<b>(a) Deposit with :</b>		
GIHED		10.00
(b) Rent receivable	1.39	1.39
(b) Advance for purchase of land	23.11	1,173.11
(d) Other advances	12.87	10.37
<b>Total</b>	<b>37.37</b>	<b>1,194.87</b>
<b>Note 7 Inventories:</b>		
(At lower of cost and net realisable value)		
Prerna Rajvijay Tirth -	303.44	349.77
Prerna Artica-WIP	925.24	1,228.62
Prerna Ashtamangal	145.74	481.04
Tragad and Shela Scheme	2,042.33	
Prerna Infrabuild (50% share)	50.60	50.60
<b>Total</b>	<b>3,467.35</b>	<b>2,110.03</b>
<b>Note 8 Trade Receivables:</b>		
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment #	1.50	
Unsecured, considered good		
(b) Other Trade receivables		
Unsecured, considered good		
<b>Total</b>	<b>1.50</b>	<b>-</b>

**PRERNA INFRABUILD LIMITED****Notes forming part of the consolidated financial statements**

<b>Note 9 (a) Cash and cash equivalents:</b>		
<b>(a) Cash on hand</b>		0.93
<b>(b) Balances with banks</b>		
(i) In current accounts	66.02	137.70
(ii) In the books of Prerna Infrabuild (50% share)	0.06	0.11
<b>Note 9 (b) Other Bank Balance:</b>		
(i) Term deposits having remaining maturity of more than 3 months but not more than 1 year (Refer Note (i) below)	352.52	100.00
(ii) In earmarked accounts		
- Unpaid dividend accounts	2.47	2.47
BOM-Equity Warrant A/c	0.01	0.01
<b>Total</b>	<b>421.08</b>	<b>241.22</b>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 <i>Cash Flow Statements</i> is Rs246667 (Pre Vr 234816/-)		
<b>Note:10 Current Tax Assets</b>		
(a) Advance income tax (net of provisions 14946779/- (As at 31 March, 2021 Rs.6075654) - Unsecured, considered good	<b>51.88</b>	<b>64.21</b>
<b>Note 11 Other current assets</b>		
(a) Loans and advances to employees		
Unsecured, considered good	0.52	
(b) Prepaid expenses - Unsecured, considered good	2.52	3.54
(c) Balances with government authorities		
Unsecured, considered good		
Service Tax Paid receivable		
(d) Other Advances - Unsecured, considered good with AUDA		
(e) Advance to vendors		8.11
( f ) GST Credit	27.25	91.91
(g) Other advance	34.50	29.98
(h) Accrued interest on FD	1.83	2.65
<b>Total</b>	<b>66.62</b>	<b>136.19</b>

PRERNA INFRABUILD LIMITED				
Notes forming part of the consolidated financial statements				
Particulars	As at 31 March, 2022		As at 31 March, 2021	
	Number of shares	Rupees	Number of shares	Rupees
<b>Note: 12 Share Capital</b>				
<b>(a) Authorised</b> 13000000 (P.Y. 8000000) Equity shares of Rs.10/- each with voting rights	13,000,000	130,000,000	13,000,000	130,000,000
<b>(b) Issued, Subscribed and fully paid up</b> 12042510 (P.Y.12042510) Equity shares of Rs.10/- each with voting rights	12,042,510	120,425,100	12,042,510	120,425,100
<b>Refer Notes (i) to (viii) below</b>	<b>12,042,510</b>	<b>120,425,100</b>	<b>12,042,510</b>	<b>120,425,100</b>
<b>(a) Reconciliation of number of shares</b> Shares outstanding as at 1st April,2021/1st April 2020	12042510		12042510	
Shares outstanding as at 31st March,22/31st March 21	12042510		12042510	
<b>(b) List of shareholding more than 5% of the total number of shares issued by the company:</b>				
<b>Name of the shareholders</b>				
Class of shares / Name of shareholder	As at 31 March, 2022		As at 31 March, 2020	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Sanket Vijay Shah HUF	2596759	21.56	2273919	18.88
Nalini Vijay Shah	1806377	15.00	1806377	15.00
Grishma Alkeshbhai Shah	990000	8.22	990000	8.22
Alkeshbhai S Shah	990000	8.22	990000	8.22
Vijay C Shah	1128257	9.37	852713	7.08
The company has issued only one class of shares having a par value of Rs.10/- each. Each shareholder of equity share is entitled to one vote per share.				

<b>PRERNA INFRABUILD LIMITED</b>		
<b>Notes forming part of the consolidated financial statements</b>		<b>100000</b>
<b>Particulars</b>	<b>As at 31 March, 2022</b>	<b>As at 31 March, 2021</b>
	<b>Rupees in Lakh</b>	<b>Rupees in Lakh</b>
<b>Note 13 Other Equity</b>		
<b>(a) Securities Premium Account:</b>	1,032.25	1,032.25
<b>(b) Revaluation Reserve:</b>	0.54	0.54
<b>(c) General Reserve:</b>		
Opening balance	232.46	232.46
Closing balance	<b>232.46</b>	<b>232.46</b>
<b>(d) Surplus / (Deficit) in Statement of Profit and Loss:</b>		
Opening balance	780.12	794.41
Add: Profit / (Loss) for the year	586.99	(14.30)
Closing balance	<b>1,367.10</b>	<b>780.12</b>
<b>Total</b>	<b>2,632.35</b>	<b>2,045.36</b>
<b>Note 14 Other Long term liabilities</b>		
(a) Secured car loan	19.95	52.56
(Against hypothecation of car)		
(b) Rent Depoist		
(c) Unsecured loan: (50%) Share in Unsecured Loan of Prerna Infrabuild.	0.25	15.00
<b>Total</b>	<b>20.20</b>	<b>67.56</b>
<b>Note 15 Other current liabilities</b>		
(a) Secured car loan	32.62	33.81
(Against hypothecation of car)		
(b) Unsecured loan from director		94.94
<b>(a) Unpaid Dividends *</b>	2.47	2.47
<b>(b) Other payables:</b>		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, GST, TDS etc.)	3.31	3.91
(ii) Advances from customers		
Prerna Artika	47.79	104.75
Prerna Rajvijay		1.00
Prerna Ashtamangal	205.68	194.36
(iii) Others (specify nature)		
Sundry Creditors	189.20	161.39
Liability for Expenses		8.93
	<b>481.07</b>	<b>605.55</b>
* These amount represent warrants issued to the shareholders which remained unrepresented as on 31st March 2022	-	-
<b>Note 16 Short-term provisions</b>	-	-
<b>(a) Provision for employee benefits:</b>	-	-
(b)(i) Provision for expenses	3.75	3.75
<b>Total</b>	<b>3.75</b>	<b>3.75</b>

**PRERNA INFRABUILD LIMITED****Notes forming part of the consolidated financial statements**

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
	Rupees in Lakh	Rupees in Lakh
<b>Note 17 Revenue from operations:</b>		
(a) Sale of Shops/flat (Refer Note (i) below):	2,369.76	446.50
(b) Interest from partnership firm		
(c) Profit of partnership firm	-1.73	1.41
(d) Other operating income	4.00	-
<b>Total</b>	<b>2,372.03</b>	<b>447.91</b>
<b>Note:</b>		
(i) Sale of plots comprises:		
Sale of Bunglow -Prerna Ashtamangal	1,417.96	-
Sale of shop at Prerna Artika	840.49	361.89
Sale of flat at "Prerna Rajvijay Scheme	61.31	22.10
Sale of flat at "Prerna Agam Scheme of firm (50% share)	50.00	56.50
<b>Total - Sale of manufactured goods</b>	<b>2,369.76</b>	<b>446.50</b>
<b>Note 18 Other income</b>		
(a) Interest income (Refer Note (i) below):	13.68	11.64
(b) Dividend income:		
(c) Net gain on sale of:		
Current investments:		
<b>Total</b>	<b>13.68</b>	<b>11.64</b>
Note (i) Interest income comprises:		
Interest from banks on:		
-Fixed Deposits	0.00	0.00
<b>Total - Interest income</b>	<b>0.00</b>	<b>0.00</b>
(d) Other non-operating income comprises:		
Misc income	0.46	-
<b>Total - Other non-operating income</b>	<b>0.46</b>	<b>-</b>
<b>Total - Other income (a+b+c+d)</b>	<b>14.14</b>	<b>11.64</b>
<b>Note 19. Cost of materials consumed:</b>		
<b>Opening Stock:</b>		
Add: Purchases and other project Exp.	2,042.33	288.56
Add: Prerna Ashtamangal Project Exp	466.30	292.95
Add: Prerna Artica Exp	126.04	
Add: Other Direct Exp	34.33	4.00
Add: 50% share in Prerna Agam	0.19	-
	2,669.19	585.51
Less: Closing stock	-	-
<b>Cost of material consumed</b>	<b>2,669.19</b>	<b>585.51</b>



Material consumed comprises:		
Prerna Ashtamagal	466.30	292.95
Prerna Aartika	126.04	288.56
Shela, Tragad and others	2,076.86	-
<b>Total</b>	<b>2,669.19</b>	<b>581.51</b>
<b>Note 20 Purchase/sales return of finished goods</b>	<b>50.81</b>	<b>-</b>
	-	-
<b>Total</b>	<b>50.81</b>	<b>-</b>
<b>Note 21.Changes in inventories of finished goods, work-in-progress and stock-in-trade:</b>		
<b>Inventories at the end of the year:</b>		
Work-in-progress		
Prerna Raj Vijay Tirth Project	303.44	349.77
Prerna Artika Project	925.24	1,228.62
Prerna Ashtamagal Project	145.74	481.04
Tragad and Shela Scheme	2,042.33	-
(50 % share) in M/s Prerna Infrabuild -Firm	50.60	50.60
	3,467.35	2,110.03
<b>Inventories at the beginning of the year:</b>		
<b>Work-in-progress</b>		
Prerna Raj Vijay Tirth Project	349.77	354.73
Prerna Artika Project	1,228.62	1,167.49
Prerna Ashtamagal Project	481.04	188.10
(50 % share) in M/s Prerna Infrabuild -Firm	50.60	102.10
	-	-
	2,110.03	1,812.42
<b>Net (increase) / decrease</b>	<b>-1,357.32</b>	<b>-297.61</b>
<b>Note 22 Employee benefits expense</b>		
Directors Remuneration	72.00	72.00
Salaries and wages	42.63	12.74
Bonus & leave salary	2.54	-
<b>Total</b>	<b>117.16</b>	<b>84.74</b>
<b>Note 23 Finance costs</b>		
(a) Interest expense		
- Interest on car loan	5.98	7.50
- GST late fees and penalty	0.15	-
- Interest On TDS	0.29	0.45
<b>Total</b>	<b>6.42</b>	<b>7.94</b>



<b>Note 24 Other expenses</b>		
Insurance	6.81	4.98
Office Expenses	4.43	1.37
Printing and stationery	1.41	-
Advertisement Exps.	8.12	0.85
Business promotion	11.21	1.50
Legal and professional	23.38	8.23
Membership Fees	1.28	0.13
Miscellaneous expenses	2.04	3.23
Auditors Remuneration	-	-
- statutory audit	0.56	0.56
- taxation matters	-	-
Bank Charges	0.06	0.04
Listing Fees	3.72	4.08
Trade Mark renewal fees	-	0.20
Website Exp	1.02	-
Security Expenses	3.07	-
Shilpalay Redevlopment Exp	4.00	-
Petrol and conveyance	2.12	1.04
Repairs and maintenance - Others	5.26	3.19
Penalty	-	1.93
Travel Exp	0.97	-
Telephone exp	0.71	0.69
Brokerage on sale of flat	51.67	7.20
Internet exp	-	0.08
Auda Charges	6.62	1.70
Municipal tax	-	2.95
Rera Fees	0.11	0.00
Sundry balance w/off	-	0.17
Electricity charges	2.10	2.47
Sale deed registration charge	0.07	7.39
ROC charges	0.11	0.15
	-	-
<b>Total</b>	<b>140.85</b>	<b>54.14</b>

**PRERNA INFRABUILD LIMITED****Notes forming part of the consolidated financial statements****Additional information to the financial statements**

	Particulars	As at 31 March, 2021	As at 31 March, 2020
		Rupees	Rupees
<b>Note 25</b>	<b>Contingent liabilities and commitments (to the extent not provided for)</b>		
(i)	Contingent liabilities		
(a)	Order of the Superintendent of Stamps, Gandhinagar is received by the company regarding stamp duty payable on amalgamation and transfer of ownership, which the company has not agreed to and want to chalange. Total amount as per order Rs.1331015/-. Company has provided Rs.400000/-.	931,015.00	931,015.00
(b)	Company has received the bill of Rs.1168852/- from Uttar Gujarat Vij Company Ltd towards use of electricity at site of Prerna Aura, Andej, Ta: Sanad, Dist: Ahmedabad. Company has went into appeal after paying Rs.350655/-.	818,197.00	818,197.00

**Note 26 Additional information pursuant to the provisions of Schedule VI to the companies Act 1956**

	Particulars		
a	<b>Value of imports calculated on CIF basis:</b>	As at 31 March, 2021	As at 31 March, 2020
		Rupees	Rupees
	Raw materials, Components, Spare parts	NIL	NIL
b	<b>Expenditure in foreign currency:</b>	As at 31 March, 2021	As at 31 March, 2020
		Rupees	Rupees
	Since expenditure involves foreign currency but the original payment by the Company itself is in Rupees, no disclosure is	NIL	NIL
c	<b>Details of consumption of imported and indigenous items *</b>	As at 31 March, 2021	As at 31 March, 2020
		Rupees	Rupees
	Raw materials	-	-
	Imported		
	Indigineous	586	#REF!
d	Earning in foreign currencies (on accrual basis)	As at 31 March, 2021	As at 31 March, 2020
		Rupees	Rupees
		NIL	NIL

**Note 27 Disclosures under Accounting Standards 7 (Revised)**

	Particulars	As at 31 March, 2021	As at 31 March, 2020
		Rupees	Rupees
	<b>Details of contract revenue and costs</b>		
a	Contract Revenue	36,789,998	60,786,196
b	Contract cost incurred	22,743,620	54,678,210
c	Recognised profit and losses	14,046,378	6,107,986
d	Advance received	10,474,865	37,481,249
e	Retention money	-	-
f	Gross amount due from Customers for contract work	-	-
g	Gross amount due to Customers for contract work	-	-

**PRERNA INFRABUILD LIMITED****Notes forming part of the consolidated financial statements****Note 28: Segment Reporting:**

Company has been carrying out construction activity and providing services of safe deposit vault. Since the business segment of safe deposit vault does not meet the basis criteria of treating the same as reportable segment, the management has decided to prepare the consolidated financial statement.

**Note 29: Related party transactions****Details of related parties:**

Description of relationship	Names of related parties
Key Management Personal-Chairman	Vijay C Shah
Key Management Personal-Managing Director	Sanket Vijay Shah
Key Management Personal-Whole Time Director	Nalini V. Shah
Associated Enterprise	M/s Prerna Infrabuild

Note: Related parties have been identified by the Management.

**Details of related party transactions during the year ended 31 March, 2021 and balances outstanding as at 31 March, 2021**

	KMP	Associated Enterprise	Total
Managerial Remuneration:			
Vijay C Shah	2400000		2400000
Sanket V Shah	2400000		2400000
Nalini V Shah	2400000		2400000
Loans taken			
Sanket V Shah	930000		24950000
Vijay C Shah	35209646		28445000
Loans Repaid			
Sanket V Shah	16680000		9200000
Vijay C Shah	25716000		28445000
<u>Prerna Infrabuild</u>			
Net of repayment over Contribution in Prerna Infrabuild		6,894,000	6,894,000
Profit/(loss) from firm		112173	112,173

**PRERNA INFRABUILD LIMITED****Notes forming part of the consolidated financial statements****Note 30 Earnings Per Share**

Net Profit after tax for the year has been used as the numerator and number of shares has been used as denominator for calculating the basic & diluted earning per share.

PARTICULARS	31-Mar-2021	31-Mar-2020
	Rupees	Rupees
Face Value Per Share	10	10
Net Profit after Tax	-14	76684
Weighted average Number of Shares	12042510	12042510
Basic Earnings per Share	0.00	0.01
Diluted Earnings per Share	0.00	0.01

**Note 31 Micro, Small and Medium Enterprises Development Act, 2006**

In accordance with the Notification No. GSR 719 ( E ) dt 16.11.2007, issued by the Ministry of Corporate Affairs, certain disclosures are required to be made relating to Micro and Small Enterprises as defined under the Micro, Small and Medium Development Act 2006. The Company is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is still not available, no disclosures have been made in the accounts.

In terms of our report attached.

**For Vijay Chauhan & Associates**

**Chartered Accountants**

**ICAI Firm Reg No: 136918W**

**Proprietor**

**M.N. 156563**

**Place : Ahmedabad**

**Date :**

**For and on behalf of the Board of Directors**

**Chairman & M.D.**

**(Vijay C Shah) Sd/-**

**Managing Director**

**(Sanket V Shah) Sd/-**

**Whole-Time Director**

**(Nalini V Shah) Sd/-**

**Place :Ahmedabad**

**Date :**



## PHILIP FERNANDES & CO.

*Chartered Accountants*

**"LIMITED REVIEW" REPORT ON THE CONSOLIDATED FINANCIAL RESULTS OF PRERNA INFRABUILD LIMITED FOR THE QUARTER ENDED ON 31<sup>ST</sup> DECEMBER, 2022 AND YEAR TO DATE FOR 01<sup>ST</sup> OCTOBER 2022 TO 31<sup>ST</sup> DECEMBER, 2022.**

### Independent Auditor's Review Report

To,  
The Board of Directors,  
Prerna Infrabuild Limited,  
Ahmedabad.

We have reviewed the accompanying statement of unaudited consolidated financial results of Prerna Infrabuild Limited for the quarter ended on 31<sup>st</sup> December, 2022 and year to date results for the period 01<sup>st</sup> October 2022 to 31<sup>st</sup> December, 2022 ("the statement") attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July, 2016.

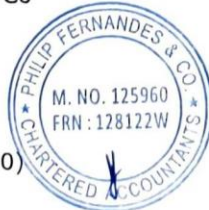
This statement is the responsibility of the Company's Management and has been approved by the Board of Directors of the company. Our responsibility is to issue a report on these consolidated financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, read with relevant rules issued there under and other accounting practices and principles generally accepted in India, has not disclosed the information required to be disclosed in terms of regulation 33 and 52 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 read with SEBI CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For; Philip Fernandes & Co  
Chartered Accountants  
FRN:128122W

Philip Fernandes  
Proprietor (M.No.125960)  
Date: 10/01/2023  
Place: Ahmedabad  
UDIN: 23125960BGPWXU4277



915,9<sup>th</sup> Floor, Shiromani Complex, Opp Jhansi Ki Rani BRTS, Nehrunagar, Ahmedabad-380015  
Ph: 079-4009 6006, Mo.: 9925385039 • e-mail: philipfernandes.3@gmail.com





## PHILIP FERNANDES & CO.

*Chartered Accountants*

**"LIMITED REVIEW" REPORT ON THE STANDALONE FINANCIAL RESULTS OF PRERNA INFRABUILD LIMITED FOR THE QUARTER ENDED ON 31<sup>ST</sup> DECEMBER, 2022 AND YEAR TO DATE FOR 01<sup>ST</sup> OCTOBER 2022 TO 31<sup>ST</sup> DECEMBER, 2022.**

### **Independent Auditor's Review Report**

To,  
The Board of Directors,  
Perna Infrabuild Limited,  
Ahmedabad.

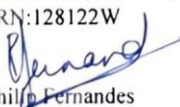
We have reviewed the accompanying statement of unaudited standalone financial results of Perna Infrabuild Limited for the quarter ended on 31<sup>st</sup> December, 2022 and year to date results for the period 01<sup>st</sup> October 2022 to 31<sup>st</sup> December, 2022, ("the statement") attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016.

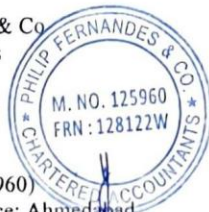
This statement is the responsibility of the Company's Management and has been approved by the Board of Directors of the company. Our responsibility is to issue a report on these standalone financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, read with relevant rules issued there under and other accounting practices and principles generally accepted in India, has not disclosed the information required to be disclosed in terms of regulation 33 and 52 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 read with SEBI CIR/CFD/FAC/62/2016 dated 5th July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For; Philip Fernandes & Co  
Chartered Accountants  
FRN:128122W

  
Philip Fernandes  
Proprietor (M.No.125960)  
Date: 10/01/2023, Place: Ahmedabad  
UDIN: 23125960BGPWXU4277



915, 9<sup>th</sup> Floor, Shiromani Complex, Opp Jhansi Ki Rani BRTS, Nehrunagar, Ahmedabad-380015  
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PRERNA INFRABUILD LIMITED  
CIN : L65990GJ1988PLC010570

Statement of unaudited Financial Results for the Quarter/Year Ended on 31th Dec. 2022

(Rs in Lakh)

Particulars	STANDALONE						CONSOLIDATED					
	Quarter ended on			Nine Months Ended		Year ended on	Quarter ended on			Nine Months Ended		Year ended on
	31-12-22	30-09-22	31-12-21	31-12-22	31-12-21	31-03-22	31-12-22	30-09-22	31-12-21	31-12-22	31-12-21	31-03-22
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	2					7	8	9				13
1 Revenue from operations	519.31	499.27	370.83	1324.03	1366.96	2320.93	519.31	496.52	417.93	1324.03	1414.06	2372.03
Other income	0.60	18.89	5.72	30.15	6.15	14.14	0.62	21.63	5.72	30.22	6.15	14.14
<b>Total Revenue ( I+II )</b>	<b>519.91</b>	<b>518.16</b>	<b>376.55</b>	<b>1354.18</b>	<b>1373.11</b>	<b>2335.07</b>	<b>519.93</b>	<b>518.15</b>	<b>423.65</b>	<b>1354.25</b>	<b>1420.21</b>	<b>2386.17</b>
2 Expenses:												
a) Cost of Material consumed	20.11	89.76	151.01	234.60	509.69	2,669.00	31.11	1256.76	151.01	1,606.55	509.69	2,669.19
b) Purchase of stock in trade						-			50.95		50.95	50.81
c) Changes in inventories of finished goods,	81.92	32.03	25.83	91.49	186.96	(1,357.32)	70.91	(1,134.97)	25.83	(1,280.46)	186.96	(1,357.32)
WIP and stock in trade.											-	
d) Employees benefits expenses.	28.27	39.61	28.65	85.87	85.83	117.16	28.27	39.61	28.65	85.87	85.83	117.16
e) Finance Costs	0.9	0.89	1.48	2.85	5.11	6.42	0.90	0.89	1.48	2.85	5.11	6.42
f) Depreciation and amortisation exp.	7.67	6.93	8.75	21.68	26.12	34.89	7.67	6.93	8.75	21.68	26.12	34.89
g) Other Expenses	23.81	23.77	25.95	65.94	69.04	140.74	23.88	23.76	25.98	68.80	69.07	140.85
<b>Total Expenses</b>	<b>162.68</b>	<b>192.99</b>	<b>241.67</b>	<b>502.43</b>	<b>882.75</b>	<b>1,610.89</b>	<b>162.74</b>	<b>192.98</b>	<b>292.65</b>	<b>505.29</b>	<b>933.73</b>	<b>1,662.00</b>
3 Profit/(Loss) before exceptional and	357.23	325.17	134.88	851.75	490.36	724.18	357.19	325.17	131.00	848.96	486.48	724.17
4 Extra ordinary items and Taxes.(III - IV )												
5 Exceptional items.												
6 Profit/(Loss) before Tax ( VII-VIII)	357.23	325.17	134.88	851.75	490.36	724.18	357.19	325.17	131.00	848.96	486.48	724.17
7 Tax Expenses												
1) Current Tax	55.00	60.00	19.72	145	84.16	140.00	55	60.00	19.72	145	84.16	140.00
2) Deferred Tax	(0.43)	(0.26)	(0.99)	(1.00)	(2.10)	(2.81)	(0.43)	(0.26)	(0.99)	(1.00)	(2.10)	(2.82)
<b>Total tax exp</b>	<b>54.57</b>	<b>59.74</b>	<b>18.73</b>	<b>144.00</b>	<b>82.06</b>	<b>137.19</b>	<b>54.57</b>	<b>59.74</b>	<b>18.73</b>	<b>144.00</b>	<b>82.06</b>	<b>137.18</b>
8 Net movement in regulatory deferral account balance related to Profit & loss and the related deferred tax movement												





(Rs in Lakh)

	Particulars	STANDALONE						CONSOLIDATED					
		Quarter ended on			Nine Months Ended		Year ended on	Quarter ended on			Nine Months Ended		Year ended on
		31-12-22	30-09-22	31-12-21	31-12-22	31-12-21	31-03-22	31-12-22	30-09-22	31-12-21	31-12-22	31-12-21	31-03-22
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
9	Profit/(Loss) for the period from continuing operations (IX-X)	302.66	265.43	116.15	707.75	408.30	586.99	302.62	265.43	112.27	704.96	404.42	586.99
10	Profit/(loss) from discontinued operations before tax												
11	Tax expenses of discontinued operations												
12	Net profit (loss) from discontinued operation after tax												
13	Share of profit/(loss) of associate and joint ventures accounted for using equity method	(0.04)	(0.04)	(3.88)	(2.83)	(3.88)	-	-	(0.04)	-	(0.04)	-	-
14	Total Profit (Loss) for the period	302.62	265.39	112.27	704.92	404.42	586.99	302.62	265.39	112.27	704.92	404.42	586.99
15	Other Comprehensive Income for the period, net of tax												
16	Total comprehensive income for the period	302.62	265.39	112.27	704.92	404.42	586.99	302.62	265.39	112.27	704.92	404.42	586.99
17	Total profit or loss, attributable to												
	Profit or loss attributable to owners of parent	302.62	265.39	112.27	704.92	404.42	586.99	302.62	265.39	112.27	704.92	404.42	586.99
	Total profit or loss attributable to non controlling interest												
18	Total comprehensive income for the period attributable to												
	comprehensive income attributable to owners of parent	302.62	265.39	112.27	704.92	404.42	586.99	302.62	265.39	112.27	704.92	404.42	586.99
	Total comprehensive income attributable to non controlling interest												
19	Details of equity paid up capital												
	Paid up equity share capital	1,204.25	1,204.25	1,204.25	1,204.25	1,204.25	1,204.25	1,204.25	1,204.25	1,204.25	1,204.25	1,204.25	1,204.25
	Face value of equity share capital	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
20	Details of debt securities												
	Paid up equity share capital												
	Face value of Debt Securities												





(Rs in Lakh)												
Particulars	STANDALONE						CONSOLIDATED					
	Quarter ended on			Nine Months Ended		Year ended on	Quarter ended on			Nine Months Ended		Year ended on
	31-12-22	30-09-22	31-12-21	31-12-22	31-12-21	31-03-22	31-12-22	30-09-22	31-12-21	31-12-22	31-12-21	31-03-22
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
21 Reserve excluding revaluation reserve												
22 Earning per share												
i. Earning per equity share for continuing operations	2.51	2.20	0.93	5.85	3.36	4.87	2.51	2.20	0.93	5.85	3.36	4.87
Basic earning (loss) per share from continuing operations	2.51	2.20	0.93	5.85	3.36	4.87	2.51	2.20	0.93	5.85	3.36	4.87
Diluted earning (loss) per share from continuing operations												
ii. Earning per equity share for discontinuing operations												
Basic earning (loss) per share from discontinuing operations												
Diluted earning (loss) per share from discontinuing operations												
iii. Earning per equity share												
Basic earning (loss) per share from continuing and discontinuing operations	2.51	2.20	0.93	5.85		4.87		2.20	0.93	5.85	3.36	4.87
Diluted earning (loss) per share from continuing and discontinuing operations	2.51	2.20	0.93	5.85		4.87		2.20	0.93	5.85	3.36	4.87
23 Debt Equity ratio												
24 Debt service coverage ratio												
25 Interest service coverage ratio												
26 Disclosure of notes on financial results												

**NOTES:**

- The above Results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its Meeting held on 10/01/2023. The statutory auditors have carried out review of unaudited financial results for the quarter ended 31st December, 2022 and have expressed an unqualified audit opinion.
- This Statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind As), prescribed under section 133 of the Companies Act, 2013, and other recognized accounting practices and policies to the extent applicable. Beginning April 1, 2017 Company has for the first time adopted Inds As with transition date of April 1, 2017
- The figures have been regrouped /reclassified , wherever necessary.
- The Disclosure is as per Regulation 33 of SEBI (Listing Obligations & Discloser Requirements) Regulations, 2015.
- The Company is operating in single segment, so above results are for single segment only.

Date: 10/01/2023  
Place: Ahmedabad



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SANKET SHAH  
MANAGING DIRECTOR  
DIN: 00038121





# PRERNA INFRABUILD LIMITED

PRERNA INFRABUILD LIMITED

CIN : L65990GJ1988PLC010570

Registered Office: SURVEY NO 820/1, IN LANE OF PANCHVATI AUTO OPP ANAND DHAM DERASAR. S.G. ROAD AHMEDABAD 380058

## Audited Statement of Assets and Liabilities as at December 31, 2022

	STANDALONE		CONSOLIDATED	
	Current year ended	Previous year ended	Current year ended	Previous year ended
	31-12-22	31-03-22	31-12-22	31-03-22
Date of start of reporting period	01-04-22	01-04-21	01-04-22	01-04-21
Date of end of reporting period	31-12-22	31-03-22	31-12-22	31-03-22
Whether results are audited or unaudited	Unaudited	Audited	Unaudited	Audited
<b>A ASSETS</b>				
<b>1 Non- Current Assets</b>				
a) Property, Plant and Equipment	91.41	92.08	91.41	92.08
b) Capital Work-in-progress				
c) Investment Property	20.74	3.49	20.74	3.49
d) Goodwill				
e) Other intangible assets				
f) Intangible Assets under development				
g) Biological Assets other than beared plants				
h) Financial Assets				
i) Investments	214.97	236	141.32	184.82
ii) Trade Receivables				
iii) Loans				
iv) Other Financial Assets	765.96		765.96	
j) deferred Tax Assets (net)	16.42	15.42	16.42	15.42
j) Other Non- Current Assets	1804.36	37.37	1804.36	37.37
<b>2 Current Assets</b>				
a) Inventories	3325.27	3416.75	4788.29	3467.35
b) Financial Assets				
i) Investments				
ii) Trade Receivables	34	1.5	34.00	1.5
iii) Cash and Cash Equivalents	34.7	421.02	85.49	421.08
iv) Bank balance other than (iii) above				
v) Loans				
vi) Others to be specified				
c) Current Tx Assets (net)	0	51.16	0.00	51.88
d) Other Current Assets	23.45	66.51	23.91	66.62
<b>TOTAL ASSETS</b>	<b>6331.28</b>	<b>4341.3</b>	<b>7771.9</b>	<b>4341.61</b>
<b>B EQUITY AND LIABILITIES</b>				
<b>1 Equity</b>				
a) Equity Share Capital	1204.25	1204.25	1204.25	1204.25
b) Others Equity	3337.27	2632.35	3337.27	2632.35
<b>2 Liabilities</b>				
<b>Non Current Liabilities</b>				
a) Financial Liabilities				
i) Borrowings				
ii) Trade Payables				
iii) Other financial liabilities (other than those specified in item (b), to be specified)				
b) Provisions				
c) Deferred Tax Liabilities (net)				
d) Other Non- Current Liabilities	18.43	19.94	1171.02	20.19
<b>Current Liabilities</b>				
a) Financial Liabilities				
i) Borrowings				
ii) Trade Payables				
iii) Other financial liabilities (other than those specified in item c.				
b) Other Current Liabilities	1763.15	481.07	2051.18	481.07
c) Provisions	8.18	3.69	8.18	3.75
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6331.28</b>	<b>4341.3</b>	<b>7771.9</b>	<b>4341.61</b>



" PRERNA ", Survey No.820/1, Makarba In Lane of Panchwati Auto, Opp Anandham Derasar, S.G. Road, Ahmedabad - 380058. Gujarat, India.

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CIN : L65990GJ1988PLC010570



## PRERNA INFRABUILD LIMITED

PRERNA INFRABUILD LIMITED STATEMENT OF CASH FLOWS				
Particulars	STANDALONE		CONSOLIDATED	
	For the nine months ended-31-12-2022	For the year ended 31-03-2022	For the nine months ended-31-12-2022	For the year ended 31-03-2022
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	Rupees	Rupees	Rupees	Rupees
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax	848.92	724.17	848.92	724.17
<u>Adjustments for:</u>				
Depreciation and amortisation	21.68	34.89	21.68	34.89
(Profit) / loss on sale / write off of assets				
Finance costs	2.85	6.42	2.85	6.42
Interest income	(19.33)	(13.68)	(19.40)	(13.68)
Net (gain) / loss on sale of investments	(0.12)	-	(0.12)	-
Dividend received	(10.70)	-	(10.70)	-
Operating profit / (loss) before working capital changes	<b>843.30</b>	<b>751.80</b>	<b>843.23</b>	<b>751.80</b>
<u>Changes in working capital:</u>				
Adjustments for (increase) / decrease in operating assets:				
Inventories	91.48	(1,357.32)	(1,320.94)	(1,357.32)
Trade receivables	(32.50)	(1.50)	(32.50)	(1.50)
Short-term loans and advances		-		-
Long-term loans and advances		-		-
Other current assets	43.07	77.19	42.71	79.09
Other non-current assets	(1,766.99)	1,157.50	(1,766.99)	1,157.50
Adjustments for increase / (decrease) in operating liabilities:				
Other current liabilities except unpaid dividend	1,277.17	(124.48)	1,565.19	(124.48)
Other long-term liabilities	(1.52)	(32.63)	1,150.84	(47.39)
Short-term provisions	4.49	-	4.43	-
Cash generated from operations	<b>458.50</b>	<b>470.56</b>	<b>485.97</b>	<b>457.70</b>
Net income tax debited	88.94	137.17	88.21	137.16
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>369.56</b>	<b>333.39</b>	<b>397.76</b>	<b>320.54</b>
<b>B. Cash flow from investing activities</b>				
Proceeds from increase in capital		-	-	-
Proceeds from sale of fixed assets	1	-	1	-
Purchase of Fixed assets	(39.14)	(1.50)	(39.14)	(1.50)
Bank balances not considered as Cash and cash				
- Placed	(765.96)		(765.96)	
- Matured				
Sale of Current invest. not considered as Cash and cash equivalents		-		-
Purchase of current investments	21.04	(159.24)	43.50	(146.44)
Interest received	19.33	13.68	19.40	13.68
Dividend received		-		-
Rental income from investment properties	10.70	-	10.70	-
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(753.03)</b>	<b>(147.06)</b>	<b>(730.50)</b>	<b>(134.26)</b>

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## PRERNA INFRABUILD LIMITED

<b>C. Cash flow from financing activities</b>				
Borrowing	-	-	-	-
Finance cost	(2.85)	(6.42)	(2.85)	(6.42)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(2.85)</b>	<b>(6.42)</b>	<b>(2.85)</b>	<b>(6.42)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+)</b>	<b>(386.32)</b>	<b>179.91</b>	<b>(335.59)</b>	<b>179.86</b>
Cash and cash equivalents at the beginning of the year	418.55	238.64	418.61	238.75
<b>Cash and cash equivalents at the end of the year</b>	<b>32.23</b>	<b>418.55</b>	<b>83.02</b>	<b>418.61</b>
<b>Reconciliation of Cash and cash equivalents with the</b>				
Net Cash and cash equivalents (as defined in IND AS 7	34.70	421.02	85.49	421.08
Statement of Cash Flows) included in Note 1(d)				
Less: Bank balances not considered as Cash and cash	2.47	2.47	2.47	2.47
equivalents as defined in AS 3 Cash Flow Statements :				
<b>Cash and cash equivalents at the end of the year *</b>	<b>32.23</b>	<b>418.55</b>	<b>83.02</b>	<b>418.61</b>
* Comprises:			0.00	
(a) Cash on hand	-	-	-	-
(c) Balances with banks				
(i) In current accounts	32.23	352.52	83.02	352.52
(iii) In deposit accounts with original maturity of less	-	66.03	-	66.09
than 3 months				
	<b>32.23</b>	<b>418.55</b>	<b>83.02</b>	<b>418.61</b>
<b>Notes:</b>				
(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.				
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.				



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## RESTATED FINANCIAL STATEMENTS

To,  
The Board of Directors,  
**PRERNA INFRABUILD LIMITED**  
3rd Floor, Office – 301,  
Sumukh, Super Compound,  
Vasta Devadi Road,  
Surat 395004, Gujarat, India

### **Sub.: Auditors' Report on Restated Financial Information in connection with the Right Issue of PRERNA INFRABUILD LIMITED**

Dear Sirs,

1. We, Philips Fernandes & Co. Chartered Accountants, have examined the attached Restated Summary Statements and Other Financial Information of **PRERNA INFRABUILD LIMITED**, (hereinafter referred to as “the Company” or “Issuer”) described below and annexed to this report for the Financial year ending on March 31, 2022, 2021 and 2020 and Limited Review Report for quarter ending on December 31, 2022 based on the audited financial statements of the Company (collectively referred to as the “**Restated Financial Statements**”). The said Restated Financial Statements and other Financial Information have been prepared for the purpose of inclusion in the in the Draft Letter of Offer (“DLOF”) and Letter of Offer (“LOF”), in connection with its proposed Rights issue of equity shares of the Company of face value of Rs. 10 each (“Proposed Rights issue”). The Restated Consolidated Summary Statements, which have been approved by the Board of Directors of the Company, have been prepared by the Company in accordance with the requirements of:
  - a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Companies Act") as amended;
  - b. relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “ICDR Regulations”) and as per Schedule VI (Part B-1) (14) of the said Regulations; and
  - c. The Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended (the “Guidance Note”)

### **Management's Responsibility for the Restated Consolidated Summary Statements**

2. The company's board of directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Offer Documents to be filed with BSE Limited and the Registrar of Companies, in connection with the proposed Rights Issue. The Management's responsibility includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Restated Financial Statements. The Management is also responsible for identifying and ensuring that the Company complies with the Act, the ICDR Regulations and the Guidance Note, as may be applicable.

### **Auditors' Responsibilities**

3. We have examined such Restated Financial Statements taking into consideration:
  - a. The terms of reference and our engagement agreed with you vide our engagement letter dated April 30, 2022, requesting us to carry out work on such Restated Financial Statements, proposed to be included in the DLOF of the Company in connection with the Company's Proposed Rights issue;
  - b. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India;
  - c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Summary Statements; and
  - d. The requirements of Section 26 of Companies Act, and applicable provisions of the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the Rights issue.

## Restated Financial Statements

4. The Company's Financial Statements for the Quarter ending on December 31, 2022 (Limited Review Report), and financial year ended on March 31, 2022, 2021 and 2020 which have been approved by the Board of Directors at their meeting held on January 13, 2022, June 30, 2021, July 27, 2020 and May 30, 2019 respectively and books of accounts underlying those financial statements and other records of the Company, to the extent considered necessary for the preparation of the Restated Financial Statements, are the responsibility of the Company's Management. The Financial Statement of the Company for the Quarter ending on December 2022, and financial year ended on March 31, 2022, 2021 and 2020 which has been limited reviewed has been audited by M/s. Philips Fernandes & Co., as statutory auditor and accordingly reliance has been placed on the financial information examined by them for the said years. Our financial report included for the same is based solely on the audited financial reports submitted by them.
5. In terms of Schedule VI, PART B-1(14) of the SEBI (ICDR) Regulations, 2018 and other provisions relating to the accounts of the Company, we report that:
  - (a) The **Restated Statement of Assets and Liabilities** as at Quarter ending on December 2022(Limited Review Report), and financial year ended on March 31, 2022, 2021 and 2020, examined by us, as set out in **Annexure 1** to this report, is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 & 4.1 to this Report.
  - (b) The **Restated Statement of Profit and Loss** of the Company for Quarter ending on December 2022(Limited Review Report), and financial year ended on March 31, 2022, 2021 and 2020, examined by us, as set out in **Annexure 2** to this report, is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Profit and Loss, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 & 4.1 to this Report.
  - (c) The **Restated Statement of Cash Flows** of the Company for the Quarter ending on December 2022(Limited Review Report), and financial year ended on March 31, 2022, 2021 and 2020, examined by us, as set out in **Annexure 3** to this report, is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Cash Flows, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 & 4.1 to this Report.

As a result of these adjustments, the amounts reporting in the above-mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.

6. Based on the above, as per the reliance placed by us on the audited financial statements of the Company and report thereon given by the Statutory Auditor of the Company for Quarter ending on December 2022(Limited Review Report), and financial year ended on March 31, 2022, 2021 and 2020, and to the best of our information and according to the explanation given to us, we are of the opinion that Restated Financial Statement:
  - (a) have been made after incorporating adjustments for prior period and other material amounts, if any, in the respective financial years to which they relate to;
  - (b) do not contain any extra ordinary items that need to be disclosed separately other than those presented in the Restated Financial Statement and do not contain any qualification requiring adjustments;
  - (c) There were no qualifications in the Audit Reports issued by the Statutory Auditors for the financial from Quarter ending on December 2022, and financial year ended on March 31, 2022, 2021 and 2020, which would require adjustments in this Restated Financial Statements of the Company;
  - (d) Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 to this report;



- (e) Adjustments in Restated Summary Statements have been made in accordance with the correct accounting policies,
  - (f) There was no change in accounting policies, which needs to be adjusted in the Restated Summary Statements;
  - (g) There are revaluation reserves, which need to be disclosed separately in the Restated Financial Statements;
  - (h) The Company has not paid any dividend since its incorporation.
7. We have also examined the following other Restated Financial Information as set out in the respective Annexure to this report and forming part of the Restated Financial Statement, prepared by the management of the Company for the Quarter ending on December 31, 2022(Limited Review Report), Period ended March 31, 2022 and year ended March 31, 2021, 2020, proposed to be included in the Draft Letter of Offer (“DLOF”) and Letter of Offer (“LOF”), in connection with its proposed Rights issue of equity shares of the Company of face value of Rs. 10 each (“Proposed Rights issue”):
1. Statement of Share Capital and Reserves & Surplus, as restated in **Annexure 05** to this report.
  2. Statement of Deferred Tax Liabilities as restated in **Annexure 06** to this report.
  3. Statement of Short Term Borrowings as restated in **Annexure 07** to this report.
  4. Statement of Trade Payables as restated in **Annexure 08** to this report.
  5. Statement of Current Liabilities as restated in **Annexure 09** to this report.
  6. Statement of Short Term Provisions as restated in **Annexure 10** to this report.
  7. Statement of Fixed Assets as restated in **Annexure 11** to this report.
  8. Statement of Inventory as restated in **Annexure 12** to this report.
  9. Statement of Trade Receivables as restated in **Annexure 13** to this report.
  10. Statement of Cash and Cash Equivalents as restated in **Annexure 14** to this report.
  11. Statement of other current assets as restated in **Annexure 15** to this report
  12. Statement of Revenue from Operations as restated in **Annexure 17** to this report.
  13. Statement of Other Income as restated in **Annexure 16** to this report.
  14. Statement of purchases of Stock-In-Trade as restated in **Annexure 17** to this report.
  15. Statement of Changes in Inventories as restated in **Annexure 18** to this report.
  16. Statement of Employee Benefit Expenses as restated in **Annexure 19** to this report.
  17. Statement of Finance Costs restated in **Annexure 20** to this report.
  18. Statement of Other Expenses as restated in **Annexure 21** to this report.
  19. Statement of Dividend Declared as restated in **Annexure 22** to this report.
  20. Statement of Tax Shelters as restated in **Annexure 23** to this report.
  21. Statement of Contingent Liabilities as restated in **Annexure 24** to this report.
  22. Statement of Related Party Transactions as restated in **Annexure 25** to this report.

23. Other Financial Information as restated in **Annexure 26** to this report.
24. Statement of Capitalized as restated in **Annexure 27** to this report.
8. We, Philip Fernandes & Co., Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate Number 012991 dated March 18, 2021 valid till March 31, 2024 w.e.f. March 18, 2021 and as issued by the “Peer Review Board” of the ICAI.
9. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.
10. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as an opinion on any of the Standalone Financial Information referred to herein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. In our opinion, the above Restated Financial Statements contained in Annexure 1 to 30 to this report read along with the ‘Significant Accounting Policies and Notes to the Restated Financial Statements’ appearing in Annexure 4 after making adjustments and regrouping/reclassification as considered appropriate and have been prepared in accordance with the provisions of Section 26 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules 2014, to the extent applicable, the SEBI Regulations, the Guidance Note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement agreed with you.
13. Our report is intended solely for use of the Management and for inclusion in the DLOF and LOF to be filed with SEBI and BSE Limited in connection with the proposed Rights Issue of the Company and is not to be used, referred to or distributed for any other purpose except with our prior written consent.

**For, Philip Fernandes & Co.**  
**Chartered Accountants**  
**Firm Registration No.: 128122W**

**PHILIPS FERNANDES**  
**Membership No.: 125960**  
**Partner**

**Place: Ahmedabad**  
**Date: \_\_\_\_\_, 2023**  
**UDIN:**

# **ANNEXURE 01**

STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED					
(Rs. In Lakhs)					
Particulars	Annexure nos.	As on December, 31 <sup>st</sup> 2022	As on March 31,		
			2022	2021	2020
<b>Equity &amp; Liabilities</b>					
<b>Shareholders' Funds</b>					
Share Capital	5	1,204.25	1,204.25	1,204.25	1,204.25
Reserve & Surplus	5	3,337.26	2,632.35	2,045.36	2,059.66
<b>Total (A)</b>		<b>4,541.51</b>	<b>3,836.60</b>	<b>3,249.61</b>	<b>3,263.91</b>
<b>Non-Current Liabilities</b>					
Long Term Borrowings	6	2,759.74	52.81	196.31	286.88
<b>Total (B)</b>		<b>2,759.74</b>	<b>52.81</b>	<b>196.31</b>	<b>286.88</b>
<b>Current Liabilities</b>					
Trade Payables	7	456.36	442.67	461.50	481.53
Short Term Provisions	7	1.15	-	8.93	-
Other Current Liabilities	8	13.12	9.53	10.13	7.13
<b>Total (C)</b>		<b>470.63</b>	<b>452.20</b>	<b>480.56</b>	<b>488.67</b>
<b>Total (D=A+B+C) - TOTAL LIABILITIES</b>		<b>7,771.88</b>	<b>4,341.61</b>	<b>3,926.48</b>	<b>4,039.46</b>
<b>Non Current Assets</b>					
<b>Fixed Assets</b>					
Tangible Asset	9	91.41	92.08	125.48	131.25
Non-Current Investments	10	162.04	188.32	41.87	75.78
Long Term Loans & Advances					
Other Non-Current Assets	11	1,804.36	37.37	1,194.87	1,464.14
Deferred Tax Assets		16.42	15.42	12.61	8.99
<b>Total (E)</b>		<b>2,074.23</b>	<b>333.18</b>	<b>1,374.83</b>	<b>1,680.16</b>
<b>Current Assets</b>					
Current Investments					
Inventories	12	4,788.29	3,467.35	2,110.03	1,812.42
Cash & Bank Balances	13	851.46	421.08	241.22	361.75
Other Current Assets	14	57.90	120.00	200.40	185.13
<b>Total (F)</b>		<b>5,697.65</b>	<b>4,008.43</b>	<b>2,551.65</b>	<b>2,359.30</b>
<b>Total (G=E+F) - TOTAL ASSETS</b>		<b>7,771.88</b>	<b>4,341.61</b>	<b>3,926.48</b>	<b>4,039.46</b>

**STATEMENT OF PROFIT & LOSS, AS RESTATED****(Rs. In Lakhs)**

Particulars	Annexure nos.	As on December, 31 <sup>st</sup> 2022	As on March 31,		
			2022	2021	2020
<b>Revenue</b>					
<b>I. Revenue From Operation</b>					
Sale of Products	<b>15</b>	1,324.03	2,372.03	447.91	976.00
<b>II. Other Income</b>	<b>16</b>	30.22	14.14	11.64	64.59
<b>Total Revenue (I+II)</b>		<b>1,354.25</b>	<b>2,386.17</b>	<b>459.55</b>	<b>1,040.59</b>
<b>Expenses</b>					
Cost of Material Consumed	<b>17</b>	1,606.55	2,669.19	585.51	1,216.19
Purchase/Sales Return of Finished Stock	<b>18</b>	-	50.81	-	29.39
Change In Inventories	<b>19</b>	1,280.46	-1,357.32	-297.61	385.01
Employee Benefit Expense	<b>20</b>	85.87	117.16	84.74	74.53
Finance Cost	<b>21</b>	2.85	6.42	7.95	8.40
Depreciation and Amortization Expense		21.68	34.89	42.74	41.32
Other Expenses	<b>22</b>	68.81	140.85	54.13	51.89
<b>Total Expenses</b>		<b>505.29</b>	<b>1,662.00</b>	<b>477.46</b>	<b>1,036.71</b>
<b>Profit before extraordinary items and tax</b>		<b>848.96</b>	<b>724.17</b>	<b>-17.91</b>	<b>3.88</b>
<b>Provision for Taxes</b>					
1. Current taxes		145.00	140.00	-	6.47
2. Tax adjustment of earlier years		-	-	-	-
3.Share of profit/(loss) of associate and joint ventures accounted for using equity method		-0.04			
4. Deferred tax (Assets)\ Liabilities		-1.00	-2.81	-3.61	3.35
<b>Net Profit</b>		<b>704.92</b>	<b>586.98</b>	<b>-14.30</b>	<b>0.76</b>
Proposed Dividend		5.76	4.87	-0.12	0.01
Dividend distribution tax		5.76	4.87	-0.12	0.01
<b>Net profit carried to Balance sheet</b>		<b>704.92</b>	<b>586.98</b>	<b>-14.30</b>	<b>0.76</b>

**ANNEXURE 02**

STATEMENT OF PROFIT & LOSS, AS RESTATED					
				(Rs. In Lakhs)	
Particulars	Annexure nos.	As on December, 31 <sup>st</sup> 2022	As on March 31,		
			2022	2021	2020
Revenue					
I Revenue From Operation					
Sale of Products	15	1,324.03	2,372.03	447.91	976.00
II. Other Income	16	30.22	14.14	11.64	64.59
Total Revenue (I+II)		1,354.25	2,386.17	459.55	1,040.59
Expenses					
Cost of Material Consumed	17	1,606.55	2,669.19	585.51	1,216.19
Purchase/Sales Return of Finished Stock	18	-	50.81	-	29.39
Change In Inventories	19	-1,280.46	-1,357.32	-297.61	-385.01
Employee Benefit Expense	20	85.87	117.16	84.74	74.53
Finance Cost	21	2.85	6.42	7.95	8.40
Depreciation and Amortization Expense		21.68	34.89	42.74	41.32
Other Expenses	22	68.81	140.85	54.13	51.89
Total Expenses		505.29	1,662.00	477.46	1,036.71
Profit before extraordinary items and tax		848.96	724.17	-17.91	3.88
Provision for Taxes					
1. Current taxes		145.00	140.00	-	6.47
2. Tax adjustment of earlier years		-	-	-	-
3.Share of profit/(loss) of associate and joint ventures accounted for using equity method		-0.04			
4. Deferred tax (Assets)\ Liabilities		-1.00	-2.81	-3.61	-3.35
Net Profit		704.92	586.98	-14.30	0.76
Proposed Dividend		5.76	4.87	-0.12	0.01
Dividend distribution tax		5.76	4.87	-0.12	0.01
Net profit carried to Balance sheet		704.92	586.98	-14.30	0.76

## ANNEXURE 03

STATEMENT OF CASH FLOWS, AS RESTATED				
(Rs. In Lakhs)				
Particulars	As on December, 31 <sup>st</sup> 2022	As on March 31,		
		2022	2021	2020
<b>A. Cash Flows From Operating Activities</b>	848.91	724.17	-17.91	3.88
Net Profit before Tax				
<b>Adjustments for:-</b>		-	-	-
Depreciation	21.68	34.89	42.74	41.32
Interest & Finance charges	2.85	6.42	7.94	8.40
Interest Income	-19.40	-13.68	-11.64	-31.13
Net (Gain)/Loss on Sale of Investment	-0.12			-22.95
Rental income from investment properties	-10.70			
Preliminary Expenses Written Off (Net)				
<b>Operating Cash Generated Before Working Capital Changes</b>	<b>843.22</b>	<b>751.81</b>	<b>21.13</b>	<b>-0.48</b>
<b>Change In Working Capital</b>				
Inventories	-1,320.94	-1,357.32	-297.61	-385.01
Trade Receivables	-32.50	-1.50	-	1,266.92
Short Term loans and Advance		-	-	-
Long Term Loans and Advance		-	-	-
Other Current Assets	42.71	79.09	-15.27	58.23
Other Non Current Assets	-1,766.99	1,157.50	269.27	-950.00
Other Current Liabilities Except Unpaid Dividend	1,565.18	-124.48	-59.11	33.29
Other Long Term Liabilities	1,150.84	-47.39	-39.57	28.11
Short Term Provision	4.43	-	-	0.06
<b>Cash Generated From Operations</b>	<b>485.95</b>	<b>457.71</b>	<b>-121.17</b>	<b>51.12</b>
Less : Direct taxes (paid) / refund	88.21	137.19	-	34.70
<b>Net Cash Flow from Operating Activities (A)</b>	<b>397.74</b>	<b>320.52</b>	<b>-121.17</b>	<b>16.42</b>
<b>B. Cash Flows From Investing Activities</b>				
Proceeds form Increase in Capital	-	-	2.45	4.67
Proceeds form Sale of Fixed Assets	1.00	-	-39.42	-68.55
Purchase of Fixed Assets	-39.14	-1.50	-	
Bank Balance not Considered as Cash and Cash Equivalent			-	
Placed	-765.96	-	-	
Matured	-	-	-	
Sale of Current Invest not Considered as Cash and Cash Equivalent	43.52	-	-	373.82
Purchase of Current Investment		-146.44	33.91	-
Interest Received	19.40	13.68	11.64	31.13
Rent Income	10.70	-	-	-
Rental Income form investment Properties		-	-	-
<b>Net Cash Generated From Investing Activities (B)</b>	<b>-730.48</b>	<b>-134.25</b>	<b>8.58</b>	<b>341.07</b>
<b>C. Cash Flow From Financing Activities</b>				
Repayment of Other Short Term Borrowings		-	-	-
Finance Cost	-2.85	-6.42	-7.94	-8.40
<b>Net Cash from Financing Activities (C)</b>	<b>-2.85</b>	<b>-6.42</b>	<b>-7.94</b>	<b>-8.40</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>-335.60</b>	<b>179.85</b>	<b>-120.53</b>	<b>349.09</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>418.61</b>	<b>238.75</b>	<b>359.28</b>	<b>10.19</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>83.01</b>	<b>418.60</b>	<b>238.75</b>	<b>359.28</b>

## ANNEXURE 04-SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

(Rs. In Lakhs)				
Particulars	As on December, 31 <sup>st</sup> 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2,021.00	31 <sup>st</sup> March, 2,020.00
Net worth (A)	4541.52	3836.6	3,249.61	3,263.91
Net Profit after Tax (B)	704.92	586.99	-14.30	0.77
No. of Shares outstanding at the end [F.V. Rs.10] (C)	12042510	12042510	12042510	12042510
Weighted average number of shares outstanding [F.V. Rs.10] (D)	10	10	10	10
Bonus Shares (E)	0	0	0	0
Weighted average number of shares outstanding Post Bonus Shares [F.V. Rs.10] (F) (D+E)	10	10	10	10
Earnings per Share (EPS) (B/F) (Rs.)	5.85	4.87	-0.12	0.01
Return on Net Worth (B/A) (%)	15.52%	15.30%	-0.44%	0.02%
Net Assets Value per Share (A/C)	0.04	0.03	0.03	0.03

**ANNEXURE 05****SHARE CAPITAL AND RESERVES & SURPLUS****STATEMENT OF DETAILS OF SHARE CAPITAL, AS RESTATED****(Rs. In Lakhs)**

Particulars	As on December, 31st 2022	31st March, 2,022.00	31st March, 2,022.00	31st March, 2,021.00
<b>Equity Share Capital - Paid up</b>				
At the Beginning of the period	1,204.25	1,204.25	1,204.25	1,204.25
<b>Add:</b>				
<b>Sub Total - O/S at end of period</b>	<b>1,204.25</b>	<b>1,204.25</b>	<b>1,204.25</b>	<b>1,204.25</b>
<b>Total</b>	<b>1,204.25</b>	<b>1,204.25</b>	<b>1,204.25</b>	<b>1,204.25</b>

**STATEMENT OF DETAILS OF RESERVES & SURPLUS, AS RESTATED****(Rs. In Lakhs)**

Particulars	As on December, 31st 2022	31st March, 2,022.00	31st March, 2,021.00	31st March, 2,020.00
<b>A. Surplus</b>				
<b>Opening balance</b>	1,367.10	780.11	794.41	793.65
<b>Add:</b> Addition during the year	704.92	586.99	-14.30	0.77
Net profit/(Net loss) for the current year				
<b>Sub Total – Surplus</b>	<b>2,072.02</b>	<b>1,367.10</b>	<b>780.11</b>	<b>794.41</b>
<b>General Reserve</b>				
Opening Balance	232.46	232.46	232.46	232.46
Closing Balance	<b>232.46</b>	<b>232.46</b>	<b>232.46</b>	<b>232.46</b>
<b>B. Revaluation Reserves</b>				
<b>Opening balance</b>	0.54	0.54	0.54	0.54
<b>Less :</b> Utilized				
<b>Sub Total – Reserves</b>	<b>0.54</b>	<b>0.54</b>	<b>0.54</b>	<b>0.54</b>
<b>C. Securities Premium</b>				
<b>Opening Balance</b>	1,032.25	1,032.25	1,032.25	1,032.25
<b>Add:</b> Share Premium on Issue of Equity Shares				
<b>Less :</b> Utilized for issue of bonus shares				
<b>Sub Total - Share Premium</b>				



	1,032.25	1,032.25	1,032.25	1,032.25
<b>Total</b>	<b>3,337.26</b>	<b>2,632.35</b>	<b>2,045.36</b>	<b>2,059.66</b>

## **I. Corporate Information:**

The Founder of our Company Mr. Vijay C. Shah is in the business of Real Estate since 1988. He incorporated Company at Ahmedabad as "Panchratna Safe Vaults Private Limited" on 13/04/1988 under the provisions of the Companies Act, 2013 vide certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently the company was converted into a Public Limited Company vide fresh certificate of incorporation dated 19th Oct, 2006 and the name was changed to "PRERNA INFRABUILD LIMITED"

The Company was incorporated with the object of To run safe deposit vaults by providing safe depo- sit lockers to the customers. And To acquire by purchase or lease lands and on buildings and to erect and to maintain safe vaults, fire proof and/or burglar proof strong rooms for preservation and protection of all types kinds of valuables.

Later on Company expanded its object with as follows:-

To carry on the business of builders and Contractors, engineers, architects, surveyors, estimators, advisors and designers in all their respective branches and to act as developers, consultants and to provide management, financial, technical, engineering, industrial, commercial and other consultancy services, to undertake and execute design engineering and technical work for projects, to prepare and implement project and to take up contracts and jobs on Turnkeys basis or otherwise and to undertake construction work for Central and State Governments, Local Bodies, Public Sectors etc.

2. To acquire buildings, structures, undertakings, roads, bridges, forests, estates and land by way of purchase, lease or otherwise and to build, erect, construct, maintain, alter, develop, pull down improve, repair, renovate and enlarge residential and commercial properties, dams, airports. air strips, roads, bridges, canals, drainage, reservoirs, docks, harbors, emoluments, tunnels and such others infrastructure properties.

3. To establish, maintain, operate and provide safe, efficient, adequate, economical and properly coordinated air transport services and lines of aerial conveyance (including scheduled and chartered domestic and international services) for the carriage of passengers, baggage, mail and freight.

4. To purchase, take on lease and or hire or otherwise acquire, own employ, maintain. work. manage, control. let on hire, charter, lease, demise all forms of aerial conveyance for the purpose of transporting or carrying passengers, baggage, mail and freight, and merchandise of all and every kind and description, whether as principals, agents or otherwise on national and international routes.

## **II. Basis of Preparation:**

The Restated Summary Statements of Assets and Liabilities of the Company for Quarter ended December 31, 2022 and for the period ended March 31, 2022, 2021 and 2020, and the related Restated Summary Statements of Profits and Losses and Cash Flows Statement for the Quarter ended December 31, 2022 and for the period ended March 31, 2022, 2021 and 2020, have been complied by management from the financial statements of the company for the Quarter ended December 31, 2022 and for the period ended March 31, 2022, 2021 and 2020.

“The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with applicable Indian Accounting Standards and the requirements of the notified sections, schedules and rules of the Companies Act 2013.”

The presentation of financial statements requires estimates and assumption to be made that affect the reported amount of assets and Liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which results are known/ materialized."

### **III. Significant Accounting Policies:**

#### **(a) Use of Estimates:**

The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with applicable Indian Accounting Standards and the requirements of the notified sections, schedules and rules of the Companies Act 2013.

#### **(b) Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period.

#### **(c) Cash and cash equivalents:**

Cash comprises cash on hand and demand deposit with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into loan amounts of cash and which are subject to insignificant risk of changes in values.

#### **(d) Fixed Assets:**

Fixed Assets (Property, Plant and Equipment) are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. The cost of an asset comprises of its purchase price and any directly attributable cost of bringing the assets to working condition for its intended use. Expenditure on additions, improvements and renewals is capitalized and expenditure for maintenance and repairs is charged to profit and loss account.

#### **(e) Depreciation and Amortization:**

Depreciation on tangible fixed assets is provided on WDV method in accordance with the provisions of the Income Tax Act, 1961 and on additions / disposals during the year, on pro-rata basis.

#### **(f) Impairment:**

The carrying amounts of property, plant & equipment are reviewed at each balance sheet date to determine, if there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of the property, plant & equipment exceeds its recoverable amount which represents greater of the "net selling price" and "value in use" of the respective assets. The impairment loss recognized in prior accounting period is reversed if there has been an improvement in recoverable amount.

#### **(g) Revenue Recognition:**

- Revenue is recognized to the extent that it is probable that the economics benefit will flow to the company, there is reasonable certainty of collection and it can be reliable estimated.
- Other items of revenue recognized are in accordance with the Accounting Standard issued by the Institute of Chartered Accountant of India.

#### **(h) Segment Reporting:**

As the Company's principle business activities fall within the single segment viz Gems or Diamonds, the disclosure requirement is not applicable.

#### **(i) Inventories**

Items of Inventories are measured at lower cost and net realizable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other cost including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw materials, process chemicals, stores and spare, packing materials, trading and other products are determined on weighted average basis by- Products are valued at net realizable value.

**(j) Foreign Currency Transactions:**

There is no foreign currency transactions in the company.

**(k) Investments:**

Company do not made any investments.

**(l) Borrowing Cost:**

Borrowing costs that are directly attributable to and incurred on acquiring qualifying assets (assets that necessarily takes a substantial Year of time for its intended use) are capitalized. Other borrowing costs are recognized as expenses in the period in which same are incurred.

**(m) Employee Benefits:**

The company is not liable to contributes on a defined contribution basis to employee's provident fund and employee's family pension fund towards post employment benefits.

The gratuity act is not applicable to the company.

The employees of the company are entitled to leave as per rules and regulations. However there is no unutilized leave and hence no actual actuarial valuation is carried out.

**(n) Taxation:**

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company.

Deferred Tax assets or liabilities are recognized for further tax consequence attributable to timing difference between taxable income and accounting income that are measured at relevant enacted tax rates and in accordance with Accounting Standard issued by ICAI.

**(o) Provisions and Contingent Assets/ (Liabilities):**

Provisions are recognized when the company has an obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the best estimate of expenditure, that is required to settle the present obligation at the balance sheet date and are not discounted to its present value.

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized or disclosed in the financial statements.

**(Rs. In Lakhs)**

**(p) Earnings per share:**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

**(q) Impairment of Assets:**

The Company evaluates all its assets for assessing any impairment and accordingly recognizes the impairment, wherever applicable.

**IV. Changes Accounting Policies In The Years/Periods Covered In The Restated Financial**

There is no change in significant accounting policies during the reporting period except, as and when Accounting Standards issued by the Institute of Chartered Accountants of India made applicable on the relevant dates.

**V. Notes To Reconciliation Of Restated Profit**

The reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is presented below. This summarizes the results of restatements made in the audited accounts for the respective years and its impact on the profit & losses of the company.

The reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is presented below. This summarizes the results of restatements made in the audited accounts for the respective years and its impact on the profit & losses of the company.

(Rs. In Lakhs)				
Particulars	As on December, 31 <sup>st</sup> 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Profit after tax before appropriation (as per Audited accounts)	704.92	586.99	14.3	0.77
<b>Adjustments</b>				
Provision for Gratuity	-	-		
Deferred Tax	-1	-2.81	-3.61	-3.35
Prior Period	-	-	-	-
Extra-Ordinary Item	-	-	-	-
<b>Profit after Tax as per Restated Profit &amp; Loss Account</b>	<b>704.92</b>	<b>586.99</b>	<b>14.3</b>	<b>0.77</b>

**VI. Other Notes to Accounts**

- The company has not received any intimation from supplier regarding their status under micro, small and medium enterprises development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the period end together with interest payable as required under the said Act have not furnished.
- The Management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required.
- There is no Auditor's Qualification in any of the audited Financial Statements as at and for the periods ended December 31, 2022, March, 2022, 2021, 2020.
- Related Party Transactions: The details of Related Party Transactions as per Accounting Standard -18 are provided in Annexure 27.

- e) The Company is not having earning / Expenditure in Foreign Currency in the last Financial Year.
- f) The Company has not given any guarantee to bank or corporate and the Company is no having any contingent liability.
- g) The figures in the Restated Financial Statements and Other Financial Information are stated in Lakhs and rounded off to two decimals and minor rounding off difference is ignored.
- h) There is no adjustment required to be made to the profit or loss for complying with ICDS notified u/s 145(2).

#### **ANNEXURE 04.1**

#### **ADJUSTMENTS MADE IN RESTATED FINANCIAL STATEMENTS / REGROUPING NOTES**

##### **(i) Adjustments having no impact on Profit**

##### **Material Regrouping**

Appropriate adjustments have been made in the restated summary statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

#### **ANNEXURE 05**

#### **SHARE CAPITAL AND RESERVES & SURPLUS**

##### **STATEMENT OF DETAILS OF SHARE CAPITAL, AS RESTATED**

(Rs. In Lakhs)				
Particulars	As on December, 31st 2022	31st March, 2,022.00	31st March, 2,022.00	31st March, 2,021.00
<b>Equity Share Capital - Paid up</b>				
At the Beginning of the period	1,204.25	1,204.25	1,204.25	1,204.25
<b>Add:</b>				
<b>Sub Total - O/S at end of period</b>	<b>1,204.25</b>	<b>1,204.25</b>	<b>1,204.25</b>	<b>1,204.25</b>
<b>Total</b>	<b>1,204.25</b>	<b>1,204.25</b>	<b>1,204.25</b>	<b>1,204.25</b>

##### **STATEMENT OF DETAILS OF RESERVES & SURPLUS, AS RESTATED**

(Rs. In Lakhs)				
Particulars	As on December, 31st 2022	31st March, 2,022.00	31st March, 2,021.00	31st March, 2,020.00
<b>A. Surplus</b>				
<b>Opening balance</b>	1,367.10	780.11	794.41	793.65
<b>Add:</b> Addition during the year	704.92	586.99	-14.30	0.77
Net profit/(Net loss) for the current year				
<b>Sub Total – Surplus</b>	<b>2,072.02</b>	<b>1,367.10</b>	<b>780.11</b>	<b>794.41</b>
<b>General Reserve</b>				
Opening Balance	232.46	232.46	232.46	232.46
Closing Balance	<b>232.46</b>	<b>232.46</b>	<b>232.46</b>	<b>232.46</b>

<b>B. Revaluation Reserves</b>				
Opening balance	0.54	0.54	0.54	0.54
Less : Utilized				
<b>Sub Total – Reserves</b>	<b>0.54</b>	<b>0.54</b>	<b>0.54</b>	<b>0.54</b>
<b>C. Securities Premium</b>				
Opening Balance	1,032.25	1,032.25	1,032.25	1,032.25
Add: Share Premium on Issue of Equity Shares				
Less : Utilized for issue of bonus shares				
<b>Sub Total - Share Premium</b>	<b>1,032.25</b>	<b>1,032.25</b>	<b>1,032.25</b>	<b>1,032.25</b>
<b>Total</b>	<b>3,337.26</b>	<b>2,632.35</b>	<b>2,045.36</b>	<b>2,059.66</b>

## **ANNEXURE 06**

### **STATEMENT OF DETAILS OF DEFERRED TAX LIABILITIES (NET)**

(Rs. In Lakhs)

Particulars	As on December, 31st 2022	31st March, 2,022	31st March, 2,021	31st March, 2,020
Secured Car Loan	25.33	52.56	86.38	83.91
Unsecured Loan : 90% (50% PV ) Share in Unsecured Loan of Prerna Infrabuild	1,152.59	0.25	15	31.75
Current Maturities of Long term Debt (Rent Deposit)	0	0	0	13.72
Unsecured Loan From Directors	1,581.83	0	94.94	157.5
<b>Total</b>	<b>2,759.75</b>	<b>52.81</b>	<b>196.32</b>	<b>286.88</b>

## **ANNEXURE 08**

### **STATEMENT OF TRADE PAYABLE**

(Rs. In Lakhs)

Particulars	As on December, 31st 2022	31st March, 2,022.00	31st March, 2,021.00	31st March, 2,020.00
Trade Payable - Creditors	270.00	189.20	161.39	102.72
Advance from Customer	181.45	253.47	300.11	378.81
Liabilities for Expenses	1.15	-	8.93	-
Tax Provision Net of Payment	4.91	-	-	-
<b>Total</b>	<b>457.51</b>	<b>442.67</b>	<b>470.43</b>	<b>481.53</b>

## **ANNEXURE 09**



**STATEMENT OF CURRENT LIABILITIES****(Rs. In Lakhs)**

Particulars	As on December, 31st 2022	31st March, 2,022.00	31st March, 2,021.00	31st March, 2,020.00
Employee Related Payables	8.18	3.75	3.75	3.75
Statutory Dues				
TDS Payable	2.47	3.31	3.91	0.91
Other Payables	2.47	2.47	2.47	2.47
Other Current Liability- Sub Total	<b>13.12</b>	<b>9.53</b>	<b>10.13</b>	<b>7.13</b>

**ANNEXURE 10****STATEMENT OF SHORT TERM PROVISIONS****(Rs. In Lakhs)**

Particulars	As on December, 31 <sup>st</sup> 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Provision for Employee Benefits	7.68	3.19	3.19	3.19
TDS Payable	2.45	3.31	3.91	0.91
TCS Payable				
Audit Fees Payable	0.5	0.5	0.5	0.5
Provision for Tax	294.47	149.47	60.75	60.75
Other SHORT TERM LIABILITIES	167.07	445.14	472.89	484
<b>Total</b>				

**ANNEXURE 11****STATEMENT OF FIXED ASSETS AS RESTATED****(Rs. In Lakhs)**

Particulars	As on December, 31st 2022	31st March, 2,022.00	31st March, 2,021.00	31st March, 2,020.00
<b>Vehicles</b>				
Gross Block				
Opening balance	212.69	212.69	184.31	127.04
Addition during the year	20.40	-	37.38	65.42
Reduction during the year	11.43	-	9.00	8.15
Closing balance (GB)	<b>221.66</b>	<b>212.69</b>	<b>212.69</b>	<b>184.31</b>
Depreciation Block				
Opening balance	148.39	119.22	88.90	59.04
Depreciation during the year	18.46	29.17	36.87	33.37
Depreciation Deduction during the year	10.56	-	6.55	3.51
Closing balance (DB)	<b>156.29</b>	<b>148.39</b>	<b>119.22</b>	<b>88.90</b>
<b>Net WDV – V</b>	<b>65.37</b>	<b>64.30</b>	<b>93.47</b>	<b>95.41</b>
<b>Furniture</b>				
Gross Block				

Opening balance	11.05	11.05	11.05	11.05
Addition during the year	-	-	-	-
Reduction during the year	-	-	-	-
Closing balance (GB)	<b>11.05</b>	<b>11.05</b>	<b>11.05</b>	<b>11.05</b>
Depreciation Block				
Opening balance	6.84	5.37	3.39	0.71
Depreciation during the year	0.82	1.47	1.98	2.68
Closing balance (DB)	<b>7.66</b>	<b>6.84</b>	<b>5.37</b>	<b>3.39</b>
<b>Net WDV – F</b>	<b>3.39</b>	<b>4.21</b>	<b>5.68</b>	<b>7.66</b>
<b>Computer</b>				
Gross Block				
Opening balance	6.35	5.53	4.42	4.42
Addition during the year	0.53	0.82	1.11	-
Reduction during the year	-	-	-	-
Closing balance (GB)	<b>6.88</b>	<b>6.35</b>	<b>5.53</b>	<b>4.42</b>
Depreciation Block				
Opening balance	5.49	4.29	3.99	3.24
Depreciation during the year	0.44	1.20	0.30	0.74
Closing balance (DB)	<b>5.93</b>	<b>5.49</b>	<b>4.29</b>	<b>3.98</b>
<b>Net WDV – C</b>	<b>0.95</b>	<b>0.86</b>	<b>1.25</b>	<b>0.44</b>
<b>Office Equipment</b>				
Gross Block				
Opening balance	18.11	17.44	16.51	13.58
Addition during the year	0.96	0.67	0.93	3.13
Reduction during the year	-	-	-	0.20
Closing balance (GB)	<b>19.07</b>	<b>18.11</b>	<b>17.44</b>	<b>16.51</b>
Depreciation Block				
Opening balance	10.90	8.65	5.90	2.07
Depreciation during the year	1.39	2.25	2.75	3.99
Reduction during the year				0.17
Closing balance (DB)	<b>12.29</b>	<b>10.90</b>	<b>8.65</b>	<b>5.89</b>
<b>Net WDV – E</b>	<b>6.78</b>	<b>7.21</b>	<b>8.79</b>	<b>10.62</b>
Fixed Assets - Tangible Assets				
Gross Block	21.26	21.26	21.26	21.26
Depreciation Block	6.33	5.76	4.97	4.14
Net Assets Block- Tangible	<b>14.93</b>	<b>15.50</b>	<b>16.29</b>	<b>17.12</b>
Total Net Assets	<b>91.42</b>	<b>92.08</b>	<b>125.48</b>	<b>131.25</b>

## **ANNEXURE 12**

### **STATEMENT OF INVENTORY**

Particulars	(Rs. In Lakhs)			
	As on December, 31st 2022	31st March, 2,022.00	31st March, 2,021.00	31st March, 2,020.00
Perna Rajvijay Tirth	215.32	303.44	349.77	354.73
Perna Artica - WIP	919.60	925.24	1,228.62	1,167.49
Perna Ashtamangal		145.74	481.04	188.10

	143.25			
Perna Infrabuild 90% (PY 50% share)	1,463.03	50.60	50.60	102.10
Tragad and Shela Scheme	2,047.09	2,042.33	-	-
<b>Total</b>	<b>4,788.29</b>	<b>3,467.35</b>	<b>2,110.03</b>	<b>1,812.42</b>

### **ANNEXURE 13**

#### **STATEMENT OF DETAILS OF TRADE RECEIVABLES**

(Rs. In Lakhs)

Particulars	As on December, 31 <sup>st</sup> 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Trade receivables outstanding for a period <b>more</b> than six months from the date they are due for payment & considered good	34	1.5	-	-
Trade receivables outstanding for a period <b>less</b> than six months from the date they are due for payment & considered good	-	-	-	-
Advance to creditors	-	-	-	-
<b>Total</b>	<b>34</b>	<b>1.5</b>	<b>-</b>	<b>-</b>

### **ANNEXURE 14**

#### **STATEMENT OF CASH AND CASH EQUIVALENT- PART-A**

(Rs. In Lakhs)

Particulars	As on December, 31 <sup>st</sup> 2022	31 <sup>st</sup> March, 2,022.00	31 <sup>st</sup> March, 2,021.00	31 <sup>st</sup> March, 2,020.00
Bank Balance	32.23	66.02	137.70	58.16
In the books of perna Infrabuilt (50% Share)	50.79	0.06	0.11	0.84
Cash on Hand			0.93	0.26
In the books of perna Infrabuilt (50% Share)			-	0.02
<b>Total</b>	<b>83.02</b>	<b>66.08</b>	<b>138.74</b>	<b>59.28</b>

#### **STATEMENT OF CASH AND CASH EQUIVALENT- PART-B**

(Rs. In Lakhs)

Particulars	As on December, 31 <sup>st</sup> 2022	31 <sup>st</sup> March, 2,022.00	31 <sup>st</sup> March, 2,021.00	31 <sup>st</sup> March, 2,020.00
Term Deposit having remaining maturity of more than 3 months but not more than 1 year	-	352.52	100.00	300.00

Bank Deposits with maturity more than 12 months	750.00	-	-	-
Accrued interest on FD	15.96	-	-	-
<b>In earmarked accounts</b>		-	-	-
Unpaid Divident Accounts	2.47	2.47	2.47	2.47
BOM-Equity Warrants A/C	0.01	0.01	0.01	0.01
<b>Total</b>	<b>768.44</b>	<b>355.00</b>	<b>102.48</b>	<b>302.48</b>

#### **ANNEXURE 15**

#### **STATEMENT OF SHORT TERM LOANS- As per financial there is no Short term loans**

(Rs. In Lakhs)

#### **ANNEXURE 16**

#### **STATEMENT OF OTHER CURRENT ASSETS**

(Rs. In Lakhs)

Particulars	As on December, 31st 2022	31st March, 2,022.00	31st March, 2,021.00	31st March, 2,020.00
Advance Income Tax	-	51.88	64.21	62.33
Loans And Advance to Employees	-	0.52	-	0.30
Prepaid Expenses	0.99	2.52	3.54	1.91
Advance to Vendors	-	-	8.11	5.54
GST Credit	22.46	27.25	91.91	85.17
Other Advances	0.46	34.50	29.98	26.53
Accrued Interest on F.D	-	1.83	2.65	3.35
Trade Receivable	34.00	1.50	-	-
<b>Total</b>	<b>57.90</b>	<b>120.00</b>	<b>200.40</b>	<b>185.13</b>

#### **ANNEXURE 17**

#### **STATEMENT OF REVENUE FROM OPERATIONS**

(Rs. In Lakhs)

Particulars	As on December, 31st 2022	31st March, 2,022.00	31st March, 2,021.00	31st March, 2,020.00
<b><u>REVENUE FROM OPERATION</u></b>				
<b><u>Sale of Plots</u></b>				
Sale of Prena Artika	140.95	840.49	361.89	607.86

Sale of flate Prerna Rajvijay Scheme	357.25	61.31	22.10	202.00
Sale of Bunglow - Prerna Ashtamangal	822.94	1,417.96		
Sale of flate Prerna Agam Scheme of Firm (50 % Share)		50.00	62.50	-
<b>Sales of Shop/ Flate</b>	<b>1,321.14</b>	<b>2,369.76</b>	<b>446.49</b>	<b>809.86</b>
<b>Income From Partnershiip Firm</b>		-1.73	1.41	0.89
Comstruction Labour Income	2.88	4.00	-	165.25
<b>Total</b>	<b>1,324.02</b>	<b>2,372.03</b>	<b>447.90</b>	<b>976.00</b>

## **ANNEXURE 18**

### **STATEMENT OF OTHER INCOME**

(Rs. In Lakhs)

Particulars	As on December, 31st 2022	31st March, 2,022.00	31st March, 2,021.00	31st March, 2,020.00
Interest Income (Interest on F.D)	19.40	13.68	11.64	31.13
Prerna Infrabuilt (50% Share)				0.07
Profit from sale of fixed assets	0.12			
Rental Income	10.70			
Divident Income				
Prerna Infrabuilt (50% Share)				0.06
Net Gain on Sale Of Current Invesrment				
Short Term Investment in Share % M.Fund Without STT				22.95
Other Non-Operating Income				
Misc Income		0.46		9.38
(50% Share) In M/S Prerna Infrabuilt				1.00
<b>Total</b>	<b>30.22</b>	<b>14.14</b>	<b>11.64</b>	<b>64.59</b>

## **ANNEXURE 19**

### **STATEMENT OF PURCHASE / SALES RETURN OF FINISHED GOODS**

(Rs. In Lakhs)

Particulars	As on December, 31st 2022	31st March, 2,022.00	31st March, 2,021.00	31st March, 2,020.00
Sales return of Units in Prerna Rajvijay Tirth		50.81		29.39
<b>Total</b>		<b>50.81</b>		<b>29.39</b>

## **ANNEXURE 20**

### **STATEMENT OF CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN -PROGRESS AND STOCK IN TRADE**

(Rs. In Lakhs)

Particulars	As on December,	31st March, 2,022.00	31st March, 2,021.00	31st March, 2,020.00
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	31st 2022			
<b>Inventories at the End of the Year</b>				
Work In Progress				
Prerna Rajvijay Tirth	215.32	303.44	349.77	354.73
Prerna Artica - WIP	919.60	925.24	1,228.62	1,167.49
Prerna Ashtamangal	143.25	145.74	481.04	188.10
Tragad and Shela Scheme	2,047.09	2,042.33		
90% share (PY 50%) in M/s Prerna Infrabuild -Firm	1,463.03	50.60	50.60	102.10
<b>Total</b>	<b>4,788.29</b>	<b>3,467.35</b>	<b>2,110.03</b>	<b>1,812.42</b>
<b>Inventories at the Beginning of the Year</b>				
Prerna Rajvijay Tirth	303.44	349.77	354.73	288.35
Prerna Artica - WIP	925.24	1,228.62	1,167.49	1,036.96
Prerna Ashtamangal	145.74	481.04	188.10	-
Tragad and Shela Scheme	2,042.33			
Prerna Infrabuild (50% Share)	91.08	50.60	102.10	102.10
<b>Total</b>	<b>3,507.83</b>	<b>2,110.03</b>	<b>1,812.42</b>	<b>1,427.41</b>
<b>Net (Increase) / Dencrease</b>	<b>-1,280.46</b>	<b>-1,357.32</b>	<b>-297.61</b>	<b>-385.01</b>

## **ANNEXURE 21**

### **STATEMENT OF EMPLOYEE BENEFIT EXPENSES**

(Rs. In Lakhs)

Particulars	As on December, 31st 2022	31st March, 2,022.00	31st March, 2,021.00	31st March, 2,020.00
Directors Remuneration	54.00	72.00	72.00	54.30
Salaries and Wages	30.94	42.63	12.74	19.68
Staff Welfare Expense	0.93	2.54		0.55
<b>Total</b>	<b>85.87</b>	<b>117.17</b>	<b>84.74</b>	<b>74.53</b>

## **ANNEXURE 22**

### **STATEMENT OF FINANCE COST**

(Rs. In Lakhs)

Particulars	As on	31st March,	31st March,	31st March,
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	December, 31st 2022	2,022.00	2,021.00	2,020.00
Interest Expense				
Interest on CAR Loan	2.61	5.98	7.50	6.08
GST late fees and penalty	-	0.15	-	2.00
Interest on FD ODD	0.22			
Interest on TDS	0.02	0.29	0.45	0.32
<b>Total</b>	<b>2.85</b>	<b>6.42</b>	<b>7.95</b>	<b>8.40</b>

## **ANNEXURE 23**

### **STATEMENT OF OTHER EXPENSES**

(Rs. In Lakhs)

Particulars	As on December, 31st 2022	31st March, 2,022	31st March, 2,021	31st March, 2,020
Insurance	5.62	6.81	4.98	4.56
Office Expense	2.68	4.43	1.37	2.37
Printing & Stationery	0.79	1.41	-	0.13
Advertisement Exps	2.98	8.12	0.85	0.97
Business Promotion	2.38	11.21	1.50	3.00
Legal and Professional	19.02	23.38	8.23	7.91
Membership Fees	0.28	1.28	0.13	0.10
Miscellaneous Expenses	2.74	2.04	3.23	0.15
<b>Auditor Remuneration</b>				
Statutory Auditors	-	0.56	0.50	0.50
Taxation Matters	-		0.06	0.06
Bank Charges	0.19	0.06	0.04	0.57
listing fees	4.52	3.72	4.08	3.90
Trade Mark Renewal Fees	0.26	-	0.20	-
Software Expense	0.43	1.02	-	0.13

Security Expense	2.07	3.07	-	0.13
Shilpalay Redevelopment Expense	-	4.00	-	1.50
Power and Fuel	1.40	2.12	1.04	3.55
Repair and Maintenance	4.84	5.26	3.19	0.58
Penalty		-	1.93	-
Travel Expense	0.72	0.97	-	2.06
Telephone Expense	0.53	0.71	0.69	1.95
Brokerage And Sale of Flate	0.97	51.67	7.20	-
Interest Expense		-	0.08	0.09
Auda Charges	5.87	6.62	1.70	1.08
Municipal Taxes		-	2.95	2.69
Rera Fees	0.07	0.11	-	-
Donation Expense		-	-	0.13
Sundry Balance W/Off		-	0.17	-
Electricity Charges	2.78	2.10	2.47	8.47
Sale Deed Registration Charges	1.07	0.07	7.39	2.47
ROC Charges	0.03	0.11	0.15	-
GST & Service Taxes		-	-	0.04
Site Exp	6.54			
Lease Deed Expense		-	-	2.80
<b>Total</b>	<b>68.81</b>	<b>140.85</b>	<b>54.13</b>	<b>51.89</b>

#### **ANNEXURE 24**

#### **STATEMENT OF DIVIDEND**

**(Rs. In Lakhs)**

<b>Particulars</b>	<b>As on December, 31st 2022</b>	<b>31<sup>st</sup> March, 2022</b>	<b>31st March, 2,021</b>	<b>31st March, 2,020</b>
<b>On Equity Shares</b>				
Fully Paid up Share Capital (Rs. In Lakhs)	1204.25	1204.25	1204.25	1204.25
Face Value (In Rs.)	10	10	10	10
Paid up value per share (In Rs.)	10	10	10	10

Rate of Dividend	0	0	0	0
Total Dividend	0	0	0	0
Corporate Dividend tax on above	0	0	0	0

## **ANNEXURE 25**

### **STATEMENT OF TAX SHELTERS**

(Rs. In Lakhs)

Particulars	As on December, 31st 2022	31 <sup>st</sup> March,	31 <sup>st</sup> March,	31 <sup>st</sup> March,
		2022	2,021	2,020
Profit before tax as per Restated P/L	848.92	724.17	-17.91	3.88
Applicable Corporate Tax Rate(%)	0.25	0.25	0.25	0.25
MAT Tax Rates (%)	0.15	0.15	0.15	0.15
<b>Adjustments</b>				
<b>Permanent Differences(B)</b>				
Disallowed u/s 37	1.35	0.70	7.18	8.08
Share of loss of Associate	2.83	2.83	0.00	0.00
Profit/Loss on sale of Fixed Assets	-0.12	0.00	0.00	<b>0.00</b>
<b>Total Permanent Differences(B)</b>	4.06	3.53	7.18	8.08
<b>Income considered separately (C)</b>				
Interest Income	-19.33	-13.68	-11.64	<b>-31.13</b>
Capital Gain	0		0.00	<b>-22.95</b>
<b>Total Income considered separately (C)</b>	-19.33	-13.68	<b>-11.64</b>	<b>-54.08</b>
<b>Timing Differences (D)</b>				
Difference between tax depreciation and book depreciation	3.5	9.63	13.77	12.89
<b>Total Timing Differences (D)</b>	<b>3.50</b>	<b>9.63</b>	<b>13.77</b>	<b>12.89</b>
<b>Net Adjustments E = (B+C+D)</b>	<b>-11.77</b>	<b>-0.51</b>	<b>9.32</b>	<b>-33.11</b>
Tax Expense/(Saving) thereon				
<b>Income chargeable under the head CAPITAL GAIN (F)</b>				
Capital Gain	0	0.00	0.00	22.95
<b>Total Income chargeable under the head CAPITAL GAIN (F)</b>	0		0.00	22.95
<b>Income chargeable under the head OTHER SOURCES (F)</b>				
Other Income	19.33	13.68	11.64	31.13
<b>Total Income chargeable under the head OTHER SOURCES (F)</b>	19.33	13.68	11.64	31.13
<b>Deduction under Chapter VI-A (G)</b>	601.48428	-608.76	0.00	0.00
<b>Total Deduction under Chapter VI-A (G)</b>	601.48	-608.76	0.00	0.00
Taxable Income/(Loss) (A+E+F+G)	255.00	128.57	3.04	24.85
<b>Taxable Income/(Loss) as per MAT</b>	856.6	724.17	-14.30	3.88
<b>Income Tax as returned/computed</b>	<b>128.49</b>	<b>120.88</b>	<b>3.04</b>	<b>6.46</b>
Adjustment for Interest on income tax/ others	0	1.66	0.03	0.00

Total Current Tax Expenses	128.49	122.54	3.07	6.46
Tax paid as per normal or MAT	128.49	122.54	3.07	6.46

## **ANNEXURE 26**

### **STATEMENT OF CONTINGENT LIABILITIES**

(Rs. In Lakhs)

Particulars	As on December, 31st 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2,021.00	31 <sup>st</sup> March, 2,020.00
Claim against company not acknowledge as debts	17.49	17.49	17.49	17.49
in respect of Income Tax	-	-	-	-
in respect of Commercial Tax	-	-	-	-
<b>Total</b>	17.49	17.49	17.49	17.49

## **ANNEXURE 27**

### **STATEMENT OF DETAILS OF RELATED PARTY TRANSACTIONS**

( Rs. In Lakhs)

	Particulars	As on December, 31st 2022	31 <sup>st</sup> March, 2,022.00	31 <sup>st</sup> March, 2,021.00
<b>A</b>	<b>REVENUE ITEMS :</b>			
<b>1</b>	<b>Salary paid – Directors /KMP</b>	54	72.00	72.00
A				
B				
<b>2</b>				
A				
<b>B</b>	<b>NON-REVENUE ITEMS :</b>			
<b>1</b>	<b>Unsecured Loan payable – Outstanding</b>	1581.83	-	-
A				
B				
C				

## **ANNEXURE 28**

### **OTHER FINANCIAL INFORMATION**

#### **STATEMENT OF ACCOUNTING RATIOS**

<b>(Rs. In Lakhs)</b>				
<b>Particulars</b>	<b>As on December, 31st 2022</b>	<b>31<sup>st</sup> March, 2022</b>	<b>31st March, 2,021.00</b>	<b>31st March, 2,020.00</b>
Net worth (A)	4541.52	3836.6	3,249.61	3,263.91
Net Profit after Tax (B)	704.92	586.99	14.30	0.77
No. of Shares outstanding at the end [F.V. Rs.10] (C)	12042510	12042510	12042510	12042510
Weighted average number of shares outstanding [F.V. Rs.10] (D)	10	10	10	10
Bonus Shares (E)	0	0	0	0
Weighted average number of shares outstanding Post Bonus Shares [F.V. Rs.10] (F) (D+E)	10	10	10	10
Earnings per Share (EPS) (B/F) (Rs.)	5.85	4.87	-0.12	0.01
Return on Net Worth (B/A) (%)	15.52%	15.30%	-0.44%	0.02%
Net Assets Value per Share (A/C)	0.04	0.03	0.03	0.03

#### **Definitions of key ratios:**

- I. Earnings per Share (Rs.):** Net profit attributable to equity shareholders / weighted average number of equity shares. Earnings per share calculations are done in accordance with Accounting Standard 20 “Earnings Per Share” as issued by The Institute of Chartered Accountants of India. As per AS-20, the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.
- II. Return on Net Worth (%):** Net Profit after tax / Net worth as at the end of the year / period
- III. Net Asset Value (Rs.):** Net Worth at the end of the year / Number of equity shares outstanding at the end of the year / period

## **ANNEXURE 29**

### **CAPITALIZATION STATEMENT**

<b>(Rs. In Lakhs)</b>		
<b>Particulars</b>	<b>Pre Issue as on December 31, 2022</b>	<b>Post Issue</b>
<b>Borrowing</b>		
Short - Term Debt	1588.72	[•]
Long - Term Debt	18.43	-
<b>Total Debt</b>	<b>1607.15</b>	[•]
<b>Shareholders' Funds</b>		
<b>Share Capital</b>		
- Equity	1204.25	[•]

Less: Calls - in – arrears		-
<b>Share Application money</b>		-
- Preference		-
Reserves & Surplus Including Premium	3337.27	[•]
<b>Total Shareholders' Funds</b>	<b>4541.52</b>	[•]
<b>Long - Term Debt / Shareholders Fund</b>	<b>0.40581127</b>	-
<b>Short - Term Debt / Shareholders Fund</b>	<b>34.98212052</b>	[•]

**Notes:**

- 1) The figures disclosed above are based on the restated summary statement of assets & Liabilities of the company.
- 2) The above statement should be read with the significant accounting policies and notes to restated summary, statements of the assets & liabilities, profit and losses and cash flows appearing in annexure 01, 02, 03 and 04.
- 3) Short term debts represent which are expected to be paid/ payable within 12 months and excludes installment of term loans repayable within 12 months.
- 4) Long term Debts represent debts other than Short Term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities.

**Details of Unsecured Loans:**

Except as mentioned in “**Annexure 27: Statement of details of Related Party Transactions**” appearing on page 131 of this Draft Letter of Offer, the Company does not have any other type of unsecured borrowings.

**MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in this Prospectus. You should also read the section entitled “**Risk Factors**” beginning on page 21 and “**Forward Looking Statements**” beginning on page 16 which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations.*

*The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Financial Statements as of and for the fiscal year ended March 31, 2020, 2019, 2018 and quarter ending on September 30, 2020 prepared in accordance with the Companies Act, 2013 to the extent applicable and Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in the section titled “**Financial Information of the Company**” on page no. 87 of this Prospectus. Please note that in terms of Schedule VI of the SEBI (ICDR) Regulations, 2018, the company is required to give the financial information for the preceding 3 financial years from the date of the Prospectus. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year/financial year are to the twelve-month period ended on March 31 of that year. The forward-looking statements contained in this discussion and analysis is subject to a variety of factors that could cause actual results to differ materially from those contemplated by such statements.*

*Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and the SEBI ICDR Regulations.*

**Overview of the Company**

The Founder promoter of our Company Mr. Vijay C. Shah is in the business of Real Estate since 1988. He incorporated Company at Ahmedabad as "Panchratna Safe Vaults Private Limited" on 13/04/1988 under the provisions of the Companies Act, 2013 vide certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar



Havelli. Subsequently the company was converted into a Public Limited Company vide fresh certificate of incorporation dated 19th Oct, 2006 and the name was changed to "PRERNA INFRABUILD LIMITED"

The Company was incorporated with the object of To run safe deposit vaults by providing safe depo- sit lockers to the customers. And To acquire by purchase or lease lands and on buildings and to erect and to maintain safe vaults, fire proof and/or burglar proof strong rooms for preservation and protection of all types kinds of valuables.

Our promoters, Mr. Vijay C Shah, Mr. Sanket V Shah and Mrs. Nalini V Shah have 48,13 years and 40 years of experience in Real Estate business, respectively.

For further details, see "Business Overview" on page 63.

### **COVID 19 Pandemic:**

An outbreak of COVID-19 was recognised as a pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India, have taken preventive or protective actions such as imposing country-wide lockdowns, as well as restrictions on travel and business operations. Since May 2020 many of these measures have been lifted. Due to a government mandated lockdown in India, we had to temporarily shut down our operations from mid-March 2020 to April 2020. We have resumed operations slowly from June 2020. We proactively engaged with our clients to reassure them and to demonstrate our commitment to restart our operations and to build confidence in the safety protocols deployed at our office. As a result, we have since experienced a gradual increase in business.

### **Significant Developments Subsequent to the Last Financial Year**

Except as stated in this Draft Letter of Offer and as disclosed below, to our knowledge, no circumstances have arisen since March 31, 2021, which materially affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities:

1. The company via its shareholders via its annual General Meeting held on September 15, 2022 approved the change in Auditors of the Company.

### **Key factors affecting our results of operation:**

The business is subjected to various risks and uncertainties, including those discussed in the section titled "Risk Factor" beginning on page no. 20 of this Draft Letter of Offer. Our results of operations and financial conditions are affected by numerous factors including the following:

- General economic and demographic conditions;
- Fluctuations in foreign and Indian currency;
- Our ability to compete successfully with our competitors in terms of competitive pricing, quality service etc;
- Significant developments in India's economic and fiscal policies;
- Our ability to attract and retain distributors, wholesalers;
- Our ability to meet our capital expenditure requirements;
- Our ability to expand its existing retail network;
- Our ability to purchase the material and the availability of the same at reasonable prices;
- Our ability to attract and retain its clients;
- Increasing competition in the Industry;
- Changes in government regulations, tax regimes, laws and regulations that apply to the industry;
- Changes in fiscal, economic or political conditions in India;
- Our ability to obtain the necessary licenses in timely manner;
- Changes in the SEBI and RBI regulations, interest rates and tax laws in India.

### **Our Significant Accounting Policies:**

For Significant accounting policies please refer Significant Accounting Policies, “**Annexure IV**” beginning under “Auditors’ Report and Financial Information of our Company” on page 122 of this Draft Letter of Offer.

### **Change In Accounting Policies**

Except as mentioned in chapter “**Financial Information**” on page 74 of this Draft Letter of Offer, there has been no change in accounting policies for the period which has been included in this Draft Letter of Offer.

### **Revenue and Expenses**

#### **Description of the major components of revenue and expense items: -**

Our total revenue consists of revenue from operations and other income.

#### **Revenue**

##### **Revenue from Operations**

Revenue from operations comprised revenue generated from Sale of Polish Diamond, Sale of rough diamond, Sale of Gold and Sale of Silver.

#### **Expenses**

Operating Expenses is our largest head of expense and mainly comprised of purchase of stock in trade, changes in inventories.

Employee Benefits Expense comprised of salary and wages to employees and staff welfare expenses.

#### **Other Expenses**

Other expenses primarily comprises of Electricity Expense, Legal & Professional fees, commission and brokerage and travelling expenses, printing & stationery, communication expenses, stock exchange and regulatory expenses, audit fees, rent and other miscellaneous expenses.

#### **Tax Expense**

Our tax expense or credit for the period represents the tax payable on the current period’s taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

### **DISCUSSION ON RESULTS OF OPERATIONS:**

The following discussion on results of operations should be read in conjunction with the audited financial results of our Company for the 9 months period ended December 31, 2022 and financial years ended March 31, 2022, 2021 and 2020.

#### **Our Results of Operation**

#### **REVIEW OF THE FINANCIAL PERFORMANCE FOR 9 MONTHS PERIOD ENDED ON DECEMBER 2022 and DECEMBER 2021-STANDALONE**

	<b>STANDALONE</b>				<b>CONSOLIDATED</b>			
<b>Particulars</b>	<b>As on Dec. 31, 2022</b>	<b>% Total Income</b>	<b>As on Dec. 31, 2021</b>	<b>% Total Income</b>	<b>As on Dec. 31, 2022</b>	<b>% Total Income</b>	<b>As on Dec. 31, 2021</b>	<b>% Total Income</b>
<b>I. Revenue From Operation</b>								
Sales	1324.03	97.77	1366.96	99.55	1324.03	97.77	1414.06	99.57
II. Other Income	30.15	2.23	6.15	0.45	5.72	0.42	6.15	0.43
<b>III. Total Revenue (I+II)</b>	<b>1354.18</b>	<b>100.00</b>	<b>1373.11</b>	<b>100.00</b>	<b>1354.25</b>	<b>100.00</b>	<b>1420.21</b>	<b>100.00</b>

<b>IV. Expenses</b>								
<b>a) Cost of Material consumed</b>	234.60	17.32	509.69	37.12	1606.55	118.63	509.69	35.89
Purchase of Stock-in-Trade	-		-					
Changes in Inventories of finished goods	91.49	6.76	186.96	13.62	-1280.46	-94.55	186.96	13.16
WIP and stock in trade	-		-					
Employee Benefits Expenses	85.87	6.34	85.83	6.25	85.87	6.34	85.83	6.04
Other Expenses	65.94	4.87	69.04	5.03	68.80	5.08	69.07	4.86
Finance Cost	2.85	0.21	5.11	0.37	2.85	0.21	5.11	0.36
Depreciation and Amortization Expenses	21.68	1.60	26.12	1.90	21.68	1.60	26.12	1.84
<b>Total Expenses</b>	<b>502.43</b>	<b>37.10</b>	<b>882.75</b>	<b>64.29</b>	<b>505.29</b>	<b>37.31</b>	<b>933.73</b>	<b>65.75</b>
<b>V. Profit Before Tax And Extraordinary item (III-IV)</b>	<b>851.75</b>	<b>62.90</b>	<b>490.36</b>	<b>35.71</b>	<b>848.96</b>	<b>62.69</b>	<b>486.48</b>	<b>34.25</b>
VI. Extraordinary items	-	-	-	-				
<b>VII. Profit Before Tax</b>	<b>851.75</b>	<b>62.90</b>	<b>490.36</b>	<b>35.71</b>	<b>848.96</b>	<b>62.69</b>	<b>486.48</b>	<b>34.25</b>
<b>VIII. Tax expenses</b>								
1. Current taxes	145.00	10.71	84.16	6.13	145.00	10.71	84.16	5.93
2. Tax adjustments for earlier years	-	-	-					
3. MAT Credit Entitlements	-	-	-					
4. Deferred tax	-1.00	-0.07	-2.10	-0.15	-1.00	-0.07	-2.10	-0.15
<b>Profit after tax and before extraordinary items available</b>	<b>704.92</b>	<b>52.06</b>	<b>404.42</b>	<b>29.45</b>	<b>704.92</b>	<b>52.05</b>	<b>404.42</b>	<b>28.48</b>
<b>for appropriation</b>								
Proposed Dividend	-	-	-	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-	-	-	-
<b>Net profit carried to Balance sheet</b>								

## REVIEW OF THE FINANCIAL PERFORMANCE FOR 9 MONTHS PERIOD ENDED ON DECEMBER 2022-STANDALONE

### Revenue from Operations

Our revenue from operations for the nine months period ended December 31, 2022 was ₹ 1324.03 Lakhs as a proportion of our total income, it was 97.77%

#### Revenue – Other Income

Other income for the nine months period ended December 31, 2022 was ₹ 30.15 Lakhs as a proportion of our total income, it was 2.23%.

### Expenses

Our total expenditure other than finance cost, depreciation and amortization expense for the nine months period ended December 31, 2022 was ₹ 477.90 Lakhs as a proportion of our total income, it was 95.11%. Total expenditure comprises of:-

#### Purchase of Stock in Trade

The Purchase of stock in trade for the nine months period ended December 31, 2022 was ₹ 00 Lakhs as a proportion of our total income, it was 00%.

#### **Changes in Inventories of Stock-in-Trade**

The changes inventories of stock-in-trade for the nine months period ended December 31, 2022 was ₹ 91.49 Lakhs as a proportion of our total income, it was 6.76%.

#### **Employee benefit expenses**

Employee benefit expense for the nine months period ended December 31, 2022 was ₹ 85.87 Lakhs as a proportion of our total income, it was 6.34%.

#### **Other expenses**

Other expenses for the nine months period ended December 31, 2022 was ₹ 65.94 Lakhs as a proportion of our total income, it was 4.87%.

#### **Finance cost**

Finance cost for the nine months period ended December 31, 2022 was ₹ 2.85 Lakhs as a proportion of our total income, it was 0.21%.

#### **Depreciation and Amortization Expense**

Depreciation and amortization expense for the nine months period ended December 31, 2022 was ₹ 21.68 Lakhs as a proportion of our total income, it was 1.60%.

#### **Profit/ (Loss) After Tax**

The Company's PAT for the nine months period ended December 31, 2021 was ₹ 704.92 Lakhs as a proportion of our total income, it was 52.06%.

### **REVIEW OF THE FINANCIAL PERFORMANCE FOR 9 MONTHS PERIOD ENDED ON DECEMBER 2021**

#### **Revenue from Operations**

Our revenue from operations for the nine months period ended December 31, 2021 was ₹ 1366.96 Lakhs as a proportion of our total income, it was 99.55%

#### **Revenue – Other Income**

Other income for the nine months period ended December 31, 2021 was ₹ 6.15 Lakhs as a proportion of our total income, it was 0.45%.

#### **Expenses**

Our total expenditure other than finance cost, depreciation and amortization expense for the nine months period ended December 31, 2021 was ₹ 851.52 Lakhs as a proportion of our total income, it was 96.46%. Total expenditure comprises of:-

#### **Purchase of Stock in Trade**

The Purchase of stock in trade for the nine months period ended December 31, 2021 was ₹ 00 Lakhs as a proportion of our total income, it was 00%.

#### **Changes in Inventories of Stock-in-Trade**

The changes inventories of stock-in-trade for the nine months period ended December 31, 2021 was ₹ 186.96 Lakhs as a proportion of our total income, it was 13.62%.

**Employee benefit expenses**

Employee benefit expense for the nine months period ended December 31, 2021 was ₹ 85.83 Lakhs as a proportion of our total income, it was 6.25%.

**Other expenses**

Other expenses for the nine months period ended December 31, 2021 was ₹ 69.04 Lakhs as a proportion of our total income, it was 5.03%.

**Finance cost**

Finance cost for the nine months period ended December 31, 2021 was ₹ 5.11 Lakhs as a proportion of our total income, it was 0.37%.

**Depreciation and Amortization Expense**

Depreciation and amortization expense for the nine months period ended December 31, 2021 was ₹ 26.12 Lakhs as a proportion of our total income, it was 1.90%.

**Profit/ (Loss) After Tax**

The Company's PAT for the nine months period ended December 31, 2021 was ₹ 490.36 Lakhs as a proportion of our total income, it was 35.71%.

**REVIEW OF THE FINANCIAL PERFORMANCE FOR 9 MONTHS PERIOD ENDED ON DECEMBER 2022- CONSOLIDATED****Revenue from Operations**

Our revenue from operations for the nine months period ended December 31, 2022 was ₹ 1324.03 Lakhs as a proportion of our total income, it was 97.77%

**Revenue – Other Income**

Other income for the nine months period ended December 31, 2022 was ₹ 5.72 Lakhs as a proportion of our total income, it was 0.42%.

**Expenses**

Our total expenditure other than finance cost, depreciation and amortization expense for the nine months period ended December 31, 2022 was ₹ 480.76 Lakhs as a proportion of our total income, it was 95.14%. Total expenditure comprises of:-

**Purchase of Stock in Trade**

The Purchase of stock in trade for the nine months period ended December 31, 2022 was ₹ 00 Lakhs as a proportion of our total income, it was 00%.

**Changes in Inventories of Stock-in-Trade**

The changes inventories of stock-in-trade for the nine months period ended December 31, 2022 was ₹ ( 1280.46) Lakhs as a proportion of our total income, it was (94.55)%.

**Employee benefit expenses**

Employee benefit expense for the nine months period ended December 31, 2022 was ₹ 85.87 Lakhs as a proportion of our total income, it was 6.34%.

**Other expenses**

Other expenses for the nine months period ended December 31, 2022 was ₹ 65.80 Lakhs as a proportion of our total

income, it was 5.08 %.

#### **Finance cost**

Finance cost for the nine months period ended December 31, 2022 was ₹ 2.85 Lakhs as a proportion of our total income, it was 0.21%.

#### **Depreciation and Amortization Expense**

Depreciation and amortization expense for the nine months period ended December 31, 2022 was ₹ 21.68 Lakhs as a proportion of our total income, it was 1.60%.

#### **Profit/ (Loss) After Tax**

The Company's PAT for the nine months period ended December 31, 2022 was ₹ 505.29 Lakhs as a proportion of our total income, it was 37.31%.

### **REVIEW OF THE FINANCIAL PERFORMANCE FOR 9 MONTHS PERIOD ENDED ON DECEMBER 2021**

#### **Revenue from Operations**

Our revenue from operations for the nine months period ended December 31, 2021 was ₹ 1414.06 Lakhs as a proportion of our total income, it was 99.57%

Revenue – Other Income

Other income for the nine months period ended December 31, 2021 was ₹ 6.15 Lakhs as a proportion of our total income, it was 0.43%.

#### **Expenses**

Our total expenditure other than finance cost, depreciation and amortization expense for the nine months period ended December 31, 2021 was ₹ 902.50 Lakhs as a proportion of our total income, it was 96.65%. Total expenditure comprises of:-

#### **Purchase of Stock in Trade**

The Purchase of stock in trade for the nine months period ended December 31, 2021 was ₹ 00 Lakhs as a proportion of our total income, it was 00%.

#### **Changes in Inventories of Stock-in-Trade**

The changes inventories of stock-in-trade for the nine months period ended December 31, 2021 was ₹ 186.96 Lakhs as a proportion of our total income, it was 13.16%.

#### **Employee benefit expenses**

Employee benefit expense for the nine months period ended December 31, 2021 was ₹ 85.83 Lakhs as a proportion of our total income, it was 6.04%.

#### **Other expenses**

Other expenses for the nine months period ended December 31, 2021 was ₹ 69.04 Lakhs as a proportion of our total income, it was 5.03%.

#### **Finance cost**

Finance cost for the nine months period ended December 31, 2021 was ₹ 5.11 Lakhs as a proportion of our total income, it was 0.36%.

#### **Depreciation and Amortization Expense**



Depreciation and amortization expense for the nine months period ended December 31, 2021 was ₹ 26.12 Lakhs as a proportion of our total income, it was 1.84%.

#### Profit/ (Loss) After Tax

The Company's PAT for the nine months period ended December 31, 2021 was ₹ 486.48 Lakhs as a proportion of our total income, it was 34.25%.

#### COMPARISON OF FINANCIAL YEARS 31<sup>st</sup> MARCH 2022, 2021, 2020

The following table sets forth select financial data from restated financial statement, the components of which are also expressed as a percentage of total income for such periods.

(Rs. In Lakhs)

Particulars	March 31, 2022	% of Total Income	March 31, 2021	% of Total Income	March 31, 2020	% of Total Income
<b>I. Revenue From Operation</b>						
Sales	2320.93	99.39 %	391.12	97.11 %	972.34	93.87 %
<b>II. Other Income</b>	14.14	0.61 %	11.64	2.89 %	63.46	6.13 %
<b>III. Total Revenue (I+II)</b>	2335.07	100 %	402.76	100.00 %	1035.80	100.00 %
<b>IV. Expenses</b>						
Cost of Materials Consumed	2669.00	165.68	585.51	139.19%	1216.19	11
Purchase of Stock-in-Trade	-	-	-	-	29.39	2.85%
Changes in Inventories of Stock-in-Trade	(1357.32)	(84.26) %	(349.11)	(82.99) %	(385.01)	(37.31) %
Employee Benefits Expenses	117.16	7.27 %	84.74	20.14 %	74.53	7.22 %
Other Expenses	140.74	8.74 %	48.85	11.61 %	47.12	4.57 %
Finance Cost	6.42	0.40 %	7.94	1.89 %	8.39	0.81 %
Depreciation and Amortization Expenses	34.89	2.17 %	42.74	10.16 %	41.32	4.00 %
<b>Total Expenses</b>	1610.90	100 %	420.67	100 %	1031.92	100 %
<b>V. Profit Before Tax And Extraordinary item (III-IV)</b>	724.17	31.01 %	(17.91)	4.45 %	3.88	0.37 %
<b>VI. Extraordinary items</b>	-	-	-	-	-	-
<b>VII. Profit Before Tax</b>	724.17	31.01 %	(17.91)	4.45 %	3.88	0.37 %

<b>VIII. Tax expenses</b>						
<b>1. Current taxes</b>	<b>140.00</b>	<b>5.99 %</b>	-	-	<b>6.47</b>	<b>0.62 %</b>
<b>2. Tax adjustments for earlier years</b>	-	-	-	-	-	-
<b>3. MAT Credit Entitlements</b>	-	-	-	-	-	-
<b>4. Deferred tax</b>	<b>(2.81)</b>	<b>0.12 %</b>	<b>(3.62)</b>	<b>0.90 %</b>	<b>(3.35)</b>	<b>0.32%</b>
<b>Profit after tax and before extraordinary items available for appropriation</b>	<b>586.99</b>	<b>25.14 %</b>	<b>(14.30)</b>	<b>3.55 %</b>	<b>0.77</b>	<b>0.07 %</b>
<b>Proposed Dividend</b>	-	-	-	-	-	-
<b>Dividend distribution tax</b>	-	-	-	-	-	-
<b>Net profit carried to Balance sheet</b>	<b>586.99</b>	<b>25.14 %</b>	<b>(14.30)</b>	<b>3.55 %</b>	<b>0.77</b>	<b>0.07 %</b>

## COMPARISON OF FY 2022 WITH FY 2021

### Revenue from Operations

Our revenue from operations for the Fiscal 2022 was ₹ 2320.93 Lakhs as compared to ₹ 391.12 Lakhs for the Fiscal 2021, representing an increase of 493.41%.

### Revenue – Other Income

Other income for the Fiscal 2022 was ₹ 14.14 Lakhs as compared to ₹ 11.64 Lakhs for the Fiscal 2021, representing an increase of 21.48%.

### Expenses

Our total expenditure other than finance cost, depreciation and amortization expense for the Fiscal 2022 was ₹ 1569.59 Lakhs as compared to ₹ 369.99 Lakhs for the Fiscal 2021, representing an increase of 324.22%.

### Cost of Material consumed

The Cost of Material Consumed for the Fiscal 2022 was ₹ 2669 Lakhs as compared to ₹ 585.51 Lakhs for the Fiscal 2021, representing an increase of 355.84%. This decrease was due to reduction of sales.

### Changes in Inventories of Stock-in-Trade

The changes inventories of stock-in-trade for the Fiscal 2022 were ₹ (1357.32) Lakhs as compared to (₹ 349.11) Lakhs for the Fiscal 2021.

### Employee benefit expenses

Employee benefit expense for the Fiscal 2022 was ₹ 117.16 Lakhs as compared to ₹ 84.74 Lakhs for the Fiscal 2021, representing an increase of 38.26%.

### Other expenses

Other expenses for the Fiscal 2022 were ₹ 140.74 Lakhs as compared to ₹ 48.85 Lakhs for the Fiscal 2021, representing an increase of 188.11 %.

### Finance cost

Finance cost for the Fiscal 2022 was ₹ 6.42 lakhs as compared to ₹ 7.94 Lakhs for the Fiscal 2021, representing a decrease of 19.14%.

#### **Depreciation and Amortization Expense**

Depreciation and amortization expense for the Fiscal 2022 was ₹ 34.89 Lakhs as compared to ₹ 42.74 Lakhs for the Fiscal 2021, representing a decrease of 18.37 %.

#### **Profit/ (Loss) After Tax**

The Company's PAT for Fiscal 2022 was ₹ 586.99 Lakhs as compared to profit of ₹ (14.30) Lakhs for the Fiscal 2021.

**Representing an increase of 4004.83%.**

### **COMPARISON OF FY 2021 WITH FY 2020**

#### **Revenue from Operations**

Our revenue from operations for the Fiscal 2021 was ₹ 391.12 Lakhs as compared to ₹ 972.34 Lakhs for the Fiscal 2020, representing a decrease of 59.78%.

#### **Revenue – Other Income**

Other income for the Fiscal 2021 was ₹ 11.64 Lakhs as compared to ₹ 63.46 Lakhs for the Fiscal 2020 representing a decrease of 81.66%.

#### **Expenses**

Our total expenditure other than finance cost, depreciation and amortization expense for the Fiscal 2021 was ₹ 369.99 Lakhs as compared to ₹ 982.21 Lakhs for the Fiscal 2020, representing a decrease of 62.33% .

#### **Purchase of Stock in Trade**

Purchase of stock in trade for the Fiscal 2021 was Nil Lakhs as compared to ₹ 29.39 Lakhs for the Fiscal 2020, representing an decrease of 100%.

#### **Changes in Inventories of Stock-in-Trade**

The changes in inventories of stock-in-trade for the Fiscal 2021 were (₹ 349.11) Lakhs as compared to ₹ (385.01) Lakhs for the Fiscal 2020.

#### **Employee benefit expenses**

Employee benefit expense for the Fiscal 2021 was ₹ 84.74 Lakhs as compared to ₹ 74.53 Lakhs for the Fiscal 2020, representing an increase of 13.70%.

#### **Other expenses**

Other expenses for the Fiscal 2021 were ₹ 48.85 Lakhs as compared to ₹ 47.21 Lakhs for the Fiscal 2020, representing an increase of 3.67%.

#### **Finance cost**

Finance cost for the Fiscal 2021 was ₹ 7.94 lakhs as compared to ₹ 8.39 Lakhs for the Fiscal 2020, representing a decrease of 5.36%.

### **Depreciation and Amortization Expense**

Depreciation and amortization expense for the Fiscal 2021 was ₹ 42.74 Lakhs as compared to ₹ 41.32 Lakhs for the Fiscal 2020, representing an increase of 3.44%.

### **Profit/ (Loss) After Tax**

The Company's PAT for Fiscal 2021 was (₹ 14.30) Lakhs as compared to profit of ₹ 0.77 Lakhs for the Fiscal 2020, representing a decrease of 1957.14%.

### **Off-Balance Sheet Arrangements**

We do not have any off-balance sheet arrangements that have or which we believe reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenue or expenses, operating results, liquidity, capital expenditure or capital resources.

### **Details of Default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues or repayment of debentures or repayment of deposits or repayment of loans from any bank or financial institution**

There have been no defaults in payment of statutory dues or repayment of debentures and interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company for 9 months ending on December 2022, Financial Year 2022, 2021 and 2020.

### **Material Frauds**

There are no material frauds, as reported by our statutory auditor, committed against our Company, during the last three financial years.

### **QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Market risk is the risk of loss related to adverse changes in market prices, including interest rates. In the normal course of business, we are exposed to certain market risks including interest risk.

#### ***Interest rate risk***

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments. Our operations are funded to a certain extent by borrowings. Our current loan facilities carry interest at variable rates as well as fixed rates. We mitigate risk by structuring our borrowings to achieve a reasonable, competitive cost of funding. There can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

#### ***Liquidity risk***

Adequate and timely cash availability for our operations is the liquidity risk associated with our operations. Our Company's objective is to all time maintain optimum levels of liquidity to meet its cash and collateral requirements. We employee prudent liquidity risk management practices which inter-alia means maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

## ***Credit Risk***

We are exposed to the risk that our counterparties may not comply with their obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities, primarily from trade receivables.

We consider our customers to be creditworthy counterparties, which limits the credit risk, however, there can be no assurance that our counterparties may not default on their obligations, which may adversely affect our business and financial condition.

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

### ***1. Unusual or infrequent events or transactions***

As on date, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

### ***2. Significant economic changes that materially affected or are likely to affect income from continuing operations.***

Apart from the risks as disclosed under Section “*Risk Factors*” beginning on page 20 there are no significant economic changes that may materially affect or likely to affect income from continuing operations.

### ***3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.***

Apart from the risks as disclosed under Section “*Risk Factors*” beginning on page 20, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

### ***4. Future changes in relationship between costs and revenues***

Our Company’s future costs and revenues will be determined by demand/supply situation, both of the end services provided by us as well as the prices of our service suppliers, cost of employees, government policies and budget constraints of our customer(s).

### ***5. Increases in net sales or revenue and Introduction of new products or services or increased sales prices***

Increases in revenues shall by and large be linked to increases in volume of business.

### ***6. Status of any publicly announced New Products or Business Segment***

Except as disclosed elsewhere in this Draft Letter of offer, we have not announced and do not expect to announce in the near future any new products or business segments.

### ***7. Total Turnover of Each Major Industry Segment in Which the Issuer Operates***

Our Company currently operates as NBFC in the financial sector. Details of the industry turnover and other relevant information is disclosed in the section “*Industry Overview*” beginning on page 58

### ***8. Seasonality of business***

Our Company’s business is not seasonal in nature.

### ***9. Any Major Dependence on a single or few suppliers or customers***

Other than as described in this Draft Letter of offer, particularly in sections “*Risk Factors*” on page 20 to our knowledge, there is no significant dependence on a single or few customers or suppliers.

### ***10. Competitive conditions:***

Competitive conditions are as described under the chapters “*Industry Overview*” and “*Our Business*” beginning on pages 58 and 68 respectively.

## SECTION VI- LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND DEFAULTS

*Our Company, Promoters, its Group companies are subject to legal proceedings primarily arising in the ordinary course of their business.*

*Further other than as disclosed in this section, there are no outstanding litigation involving our Company and/or our Promoters and/or Group companies with respect to (i) issues of moral turpitude or criminal liability on the part of our Company and/or our Promoters and/or Group companies, (ii) material violations of statutory regulations by our Company and/or our Promoters and/or Group companies, (iii) economic offences where proceedings have been initiated against our Company and/or our Promoters and/or Group companies, (iv) any pending matters, which if they result in an adverse outcome would materially and adversely affect operations or financial position of our Company and/or our Promoters and/or Group companies, and (v) tax matters.*

*For the purpose of material litigation in (viii) above, our Board has considered and adopted the following policy on materiality for identification of material outstanding litigations to be disclosed by our Company in the Draft Letter of Offer:*

- a) All criminal proceedings, taxation matters, disciplinary actions and actions by statutory or regulatory authorities, involving our Company, Promoters, Directors, or Group Companies, as the case may be has been considered as material;*
- b) All pending litigation (other than those covered in (a) above) involving our Company, Promoters, Directors, or Group Companies as the case may be, has been considered 'material' where (a) the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of Rs. 10.00 Lakhs or 10.00% of the net profits after tax of the Company for the most recent audited fiscal period, whichever is lower; or (b) where the monetary liability is not quantifiable, each such case involving our Company, Promoters, Directors, or Group Companies, whose outcome would have a bearing on the business operations, prospects or reputation of our Company;*
- c) All pending litigations involving our Directors where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of our Company has been considered as material;*
- d) Notices received by our Company, Promoters, Directors, or Group Companies, as the case may be, from third parties (excluding statutory/regulatory authorities or notices threatening criminal action) shall, in any event, has not been evaluated for materiality until such time that the Company / Directors / Promoters / Group Companies, as the case may be, are impleaded as parties in proceedings before any judicial forum.*

*Our Company, our Promoters and/or our Directors and/ or Group Companies, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoters or our Directors and/ or Group Companies, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.*

*Pre-litigation notices received by our Company and/or our Promoters and/or Group companies from third-parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) has not be evaluated for materiality until such time our Company and/or our Promoters and/or Group companies are impleaded as defendants in litigation proceedings before any judicial forum.*

*Unless otherwise stated, all proceedings are pending as of the date of this Draft Letter of Offer. All information provided below is as of the date of this Draft Letter of Offer.*

#### **(A) Litigations Relating to Our Company**

- Labour Cases filed against the Company : NIL
- Labour Cases filed by the Company : NIL
- Civil Cases filed against the Company : NIL
- Civil Cases filed by the Company : NIL
- Criminal cases against the Company : NIL



- Criminal cases filed by the Company : NIL
- Notices served on the Company : NIL
- Tax related matters : YES

**(B) Litigation Relating to the Promoters of Our Company**

- a) Criminal Case against our Promoters : NIL
- b) Civil Cases Against Our Promoters : NIL
- c) Criminal Cases Filed By Our Promoters : NIL
- d) Civil Case Filed By Our Promoters : NIL
- e) Cases Relating To Tax Matters : NIL
- f) Notices served on the Promoter : NIL

**Criminal Cases Against Our Promoters**

- As on present there is not any litigation against any of the Promoter and Director of the Company..

**(C) Litigations Relating to the Directors of Our Company**

- a) Criminal case against our Directors : NIL
- b) Civil Cases Against Our Directors : NIL
- c) Criminal Cases Filed By Our Directors : NIL
- d) Civil Case Filed By Our Directors : NIL
- e) Cases Relating To Tax Matters : NIL
- f) Notices served on the Directors : NIL

**(D) Relating to Our Promoter Group and Group Companies/ Entities**

- a) Criminal case against our Promoter Group and Group Companies/ Entities : NIL
- b) Civil Cases Against Our Promoter Group and Group Companies/ Entities : NIL
- c) Criminal Cases Filed by Our Promoter Group and Group Companies/ Entities : NIL
- d) Civil Case Filed by Our Promoter Group and Group Companies/ Entities : NIL
- e) Cases Relating to Tax Matters : NIL
- f) Notices served on the Our Promoter Group and Group Companies/ Entities

**TAX PROCEEDINGS**

There are following tax proceedings involving our Company, our Promoters, our Group Companies, or our Directors.

DETAILS OF TAX LIABILITY AGAINST WHICH APPEAL HAS BEEN FILED							
SR. NO.	NAME	RELATION	AY	TAX	PENALTY	ORDER PASSED BY	WHETHER APPEAL FILED
1	VIJAY C SHAH HUF	DIRECTORS HUF	2015-16	9246270		PASSED U/S 147	APPEAL FILED WITH CIT (A)
			2017-18	12238010		PASSED U/S 147	APPEAL FILED WITH CIT (A)
			2015-16		10000	PASSED U/S 271(1)(b)	APPEAL FILED WITH CIT (A)
			2017-18		574125	PASSED U/S 271AAC (1)	APPEAL FILED WITH CIT (A)
			2017-18		1534955	PASSED U/S 270A	APPEAL FILED WITH CIT (A)
			2015-16		4330550	PASSED U/S 271(1)(C)	APPEAL FILED WITH CIT (A)
			2017-18		10000	PASSED U/S 272(A)(1)(d)	APPEAL FILED WITH CIT (A)
2	VIJAY C SHAH	DIRECTOR	2016-17		5858188	PASSED U/S 270A	APPEAL FILED WITH CIT (A)
			2014-15		8339985	PASSED U/S 271(1)(C)	APPEAL FILED WITH CIT (A)
			2016-17		10000	PASSED U/S 272(A)(1)(d)	APPEAL FILED WITH CIT (A)
			2016-17	23744070		PASSED U/S 147	APPEAL FILED WITH CIT (A)
			2016-17	20000		PASSED U/S 147	APPEAL FILED WITH CIT (A)
			2014-15	16580960		PASSED U/S 147	APPEAL FILED WITH CIT (A)
3	SANKET V SHAH	DIRECTOR	2012-13	64062		PASSED U/S 153a	APPEAL FILED WITH CIT (A)
			2008-09	255814		PASSED U/S 143(3)	
			2010-11	14734080		PASSED U/S 147	APPEAL FILED WITH CIT (A)
			2007-08	72552		PASSED U/S 143(3)	
			2007-08		68356	PASSED U/S 271(1)(C)	APPEAL FILED WITH CIT (A)
4	NALINI VIKAY SHAH	DIRECTOR	2016-17		3796856	PASSED U/S 271AAC (1)	APPEAL FILED WITH CIT (A)
			2014-15		7486465	PASSED U/S 271(1)(C)	APPEAL FILED WITH CIT (A)
			2014-15		10000	PASSED U/S 271(1)(b)	APPEAL FILED WITH CIT (A)
			2016-17		10000	PASSED U/S 272(A)(1)(d)	APPEAL FILED WITH CIT (A)
			2007-08	63000		PASSED U/S 143(3)	
			2007-08	504231		PASSED U/S 250	
			2007-08		141183	PASSED U/S 271(1)(C)	APPEAL FILED WITH CIT (A)
			2016-17	42053400		PASSED U/S 147	APPEAL FILED WITH CIT (A)
			2016-17	139120		PASSED U/S 147	APPEAL FILED WITH CIT (A)
			2014-15	8477360		PASSED U/S 147	APPEAL FILED WITH CIT (A)
5	NIYATI SANKET SHAH	WIFE OF DIRECTOR	2014-15	45310		PASSED U/S 147	APPEAL FILED WITH CIT (A)
6	SWETAL V SHAH	DAUGHTER OF DIRECTOR	2010-11	24407832		PASSED U/S 147	APPEAL FILED WITH CIT (A)
			2016-17		5000	PASSED U/S 271f	APPEAL FILED WITH CIT (A)
			2014-15		5000	PASSED U/S 271f	APPEAL FILED WITH CIT (A)
			2014-15		10000	PASSED U/S 271(1)(b)	APPEAL FILED WITH CIT (A)
			2014-15	266564		PASSED U/S 147	APPEAL FILED WITH CIT (A)

The Tax Proceeding for Our Company Director's and Promoter Mr. Vijay Chandulal Shah HUF 'S following are pending with appeal with CIT(A) :

For the Assessment Year 2015-16 for tax amount Rs. 92,46,270/- passed u/s147 is pending with Appeal with CIT (A)

For the Assessment Year 2015-16 for Penalty amount Rs. 43,30,550/- passed u/s270A is pending with Appeal with CIT (A)

For the Assessment Year 2015-16 for Penalty amount Rs. 10,000/- passed u/s271(1)(a) is pending with Appeal with CIT (A)

For the Assessment Year 2017-18 for tax amount Rs. 1,22,38,010/- passed u/s147 is pending with Appeal with CIT (A)

For the Assessment Year 2017-18 for Penalty amount Rs. 5,74,125/- passed u/s271AAC(1) is pending with Appeal with CIT (A)

For the Assessment Year 2017-18 for Penalty amount Rs. 15,34,955/- passed u/s270A is pending with Appeal with CIT (A)

For the Assessment Year 2017-18 for Penalty amount Rs. 10,000/- passed u/s272(A)(1)(d) is pending with Appeal with CIT (A)

The Tax Proceeding for Our Company Director's and Promoter Mr. Vijay Chandulal Shah's following are pending with appeal with CIT(A) :

For the Assessment Year 2014-15 for tax amount Rs.1,65,80,960/- passed u/s 147 is pending with Appeal with CIT (A)

For the Assessment Year 2014-15 for penalty amount Rs.83,39,985/- passed u/s271(1)(C) is pending with Appeal with CIT (A)

For the Assessment Year 2016-17 for tax amount Rs.23744070/- passed u/s 147 is pending with Appeal with CIT (A)

For the Assessment Year 2016-17 for tax amount Rs.20,000/- passed u/s 147 is pending with Appeal with CIT (A)  
For the Assessment Year 2016-17 for penalty amount Rs.10,000/- passed u/s272(A)(1)(d) is pending with Appeal with CIT (A)  
For the Assessment Year 2016-17 for penalty amount Rs. 58,58,188/- passed u/s270A is pending with Appeal with CIT (A)

The Tax Proceeding for Our Company Director's and Promoter Mr. Sanket V Shah's following are pending with appeal with CIT(A) :

For the Assessment Year 2007-08 for tax amount Rs.72,552/- passed u/s 143(3).  
For the Assessment Year 2007-08 for penalty amount Rs.68,356/- passed u/s 271(1)(C) is pending with Appeal with CIT (A)  
For the Assessment Year 2008-09 for tax amount Rs.2,55,814/- passed u/s 143(3).  
For the Assessment Year 2010-11 for tax amount Rs.1,47,34,080/- passed u/s 147 is pending with Appeal with CIT (A)  
For the Assessment Year 2012-13 for tax amount Rs.64062/- passed u/s 153a is pending with Appeal with CIT (A)

The Tax Proceeding for Our Company Director's and Promoter Mrs. Nalini V Shah's following are pending with appeal with CIT(A) :

For the Assessment Year 2007-08 for tax amount Rs.63,000/- passed u/s 143(3).  
For the Assessment Year 2007-08 for tax amount Rs.5,04,231/- passed u/s 250.  
For the Assessment Year 2007-08 for penalty amount Rs.1,41,183/- passed u/s 271(1)(C) is pending with Appeal with CIT (A)  
For the Assessment Year 2014-15 for tax amount Rs.84,77,360/- passed u/s 147 is pending with Appeal with CIT (A)  
For the Assessment Year 2014-15 for tax amount Rs.45310/- passed u/s 147 is pending with Appeal with CIT (A)  
For the Assessment Year 2014-15 for penalty amount Rs.74,86,465/- passed u/s 271(1)(a) is pending with Appeal with CIT (A)  
For the Assessment Year 2014-15 for penalty amount Rs.10,000/- passed u/s 271(1)(b) is pending with Appeal with CIT (A)  
For the Assessment Year 2016-17 for penalty amount Rs.37,96,856/- passed u/s 271AAC(1) is pending with Appeal with CIT (A)  
For the Assessment Year 2016-17 for tax amount Rs.4,20,53,400/- passed u/s 147 is pending with Appeal with CIT (A)  
For the Assessment Year 2016-17 for tax amount Rs.1,39,120/- passed u/s 147 is pending with Appeal with CIT (A).

The Tax Proceeding for Our Company Director's and Promoter Mrs. Niyati S Shah's following are pending with appeal with CIT(A) :

For the Assessment Year 2010-11 for tax amount Rs.24,407,832/- passed u/s 147 is pending with Appeal with CIT (A)

The Tax Proceeding for Our Company Director's and Promoter Mrs. Swetal V Shah's following are pending with appeal with CIT(A) :

For the Assessment Year 2014-15 for tax amount Rs.2,66,564/- passed u/s 147 is pending with Appeal with CIT (A).  
For the Assessment Year 2014-15 for penalty amount Rs.5,000/- passed u/s 271f is pending with Appeal with CIT (A).  
For the Assessment Year 2014-15 for penalty amount Rs.10,000/- passed u/s 271(1)(b) is pending with Appeal with CIT (A).  
For the Assessment Year 2016-17 for penalty amount Rs.5,000/- passed u/s 271f is pending with Appeal with CIT (A).

#### **LEGAL NOTICES RECEIVED BY OUR COMPANY, OUR PROMOTERS, OUR GROUP COMPANIES, OUR SUBSIDIARIES AND OUR DIRECTORS**

There are no legal notices received by Our Company, Our Promoters, Our Group Companies, and Our Directors as on the date of filing this Draft Letter of Offer.

#### **MATERIAL VIOLATIONS OF THE STATUTORY REGULATIONS BY OUR COMPANY**

There are no material violations of the statutory regulations by our Company as on the date of this Draft Letter of Offer.

#### **PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES**

There are no proceedings initiated against our Company for any economic offences.

**DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES IN THE LAST FIVE FINANCIAL YEARS INCLUDING OUTSTANDING ACTION**

- **AGAINST THE PROMOTERS**
- **AGAINST THE COMPANY**

**DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY RBI IN THE LAST FIVE FINANCIAL YEARS INCLUDING OUTSTANDING ACTION**

- **AGAINST THE PROMOTERS**
- **AGAINST THE COMPANY**

As on the date of the Draft Letter of Offer, except as stated above, there have been no disciplinary action including penalty imposed by SEBI or RBI or Stock Exchanges against our Company and Promoters in the last five financial years including outstanding action.

**OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY**

As on the date of the Draft Letter of Offer, there is no outstanding litigation against other persons and companies whose outcome could have a material adverse effect on our Company.

**DISCLOSURES PERTAINING TO WILFUL DEFAULTERS**

Neither our Company, nor our Promoters, nor Group Companies, and nor Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

**DISCLOSURES PERTAINING TO FRAUDULENT BORROWER**

Our Company or any of our Promoters or Group Companies or Directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.

**NON-PAYMENT OF STATUTORY DUES**

As on the date of the Draft Letter of Offer there have been no (i) instances of non-payment or defaults in payment of statutory dues by our Company, (ii) over dues to companies or financial institutions by our Company, (iii) defaults against companies or financial institutions by our Company, or (iv) contingent liabilities not paid for.

**OUTSTANDING DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES**

The Company has not received any memorandum (as required to be filed by the Supplier with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March, 2021 as Micro, Small or Medium Enterprises. Consequently, the amount paid / payable to these parties during the year is NIL. Further, there is no small- scale undertaking or any other creditor to whom the Company owes a sum exceeding Rs. 1 lakh which is outstanding for more than thirty (30) days.

**MATERIAL DEVELOPMENT SINCE DECEMBER 31, 2022**

There have not arisen, since the date of the last financial statements disclosed in this Draft Letter of Offer, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months. For further details, please refer to the chapter titled "Material Development" and "Management's Discussion and Analysis of Financial Position and Results of Operations" on page 150 and 135, respectively of this Draft Letter of Offer.

## **GOVERNMENT AND OTHER STATUTORY APPROVALS**

In order to operate our business, we require various approvals and/or licenses under various laws, rules and regulations. Our Company has obtained the necessary consents, licenses, registrations, permissions and approvals from the applicable government agencies and other statutory and/ or regulatory authorities required to carry on our present business activities. Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for their renewal from time to time.

In addition, as on the date of the Draft Letter of Offer, there are no pending regulatory and government approvals and no pending renewals of licenses or approvals in relation to the activities presently undertaken by us or in relation to the Issue.

- I. Material approvals for which applications have been made by our Company, but are currently pending grant: NIL**
- II. Material approvals for which renewal applications have been made by our Company: NIL**
- III. Material approvals which have expired and for which renewal applications are yet to be made by our Company: NIL**
- IV. Material approvals required for which no application has been made by our Company: NIL**

## **MATERIAL DEVELOPMENTS**

There have not arisen, since the date of the last financial statements disclosed in this Draft Letter of Offer, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

For further details, please refer to the chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 156 of this Draft Letter of Offer.

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

The Issue has been authorized by a resolution of the Board passed at its meeting held on December 15, 2022. The shareholders of our Company have authorised this Issue, pursuant to a resolution under Section 62 of the Companies Act, 2013, passed at the extraordinary general meeting held on January 09, 2023

The Committee of Directors of our Company has, at its meeting held on [●], determined the Issue Price as [●] per Rights Equity Share (including a premium of [●] per Rights Equity Share) and the Rights Entitlement as [●] Rights Equity Shares for every [●] Equity Shares held on the Record Date.

On Application, Investors will have to pay Rs. [●] per Rights Equity Share, which constitutes [●] % of the Issue Price and the balance Rs. [●] per Rights Equity Share which constitutes [●] % of the Issue Price, will have to be paid in one or more subsequent Call(s), as determined by our Board at its sole discretion.

This Draft Letter of Offer has been approved by our Board pursuant to their resolutions dated [●].

Our Company has received 'in-principle' approvals for listing of the Rights Equity Shares to be Allotted pursuant to Regulation 28 of SEBI Listing Regulations, vide letters dated [●] and [●] issued by BSE for listing of the Rights Equity Shares to be Allotted pursuant to the Issue. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges for listing of the Rights Equity Shares to be issued pursuant to the Issue.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. Our Company has been allotted the ISIN '[●]' both from NSDL and CDSL for the Rights Equity Shares issued pursuant to this Issue. For details, see "Terms of the Issue" on page 182.

### **Prohibition by SEBI and other Governmental Authorities**

Our Company, our Promoters, our Promoter Group or our Directors, the persons in control of our Company and the persons in control of our Corporate Promoters have not been debarred and are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

The companies with which the Promoters or the Directors are associated as promoters or directors have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority. None of our Directors or Promoters are associated with the securities market in any manner. There is no outstanding action initiated against them by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Neither our individual Promoters nor any of our Directors have been declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).

### **Directors associated with the Securities Market**

None of our Directors are, in any manner, associated with the securities market.

### **Prohibition by RBI**

Neither our Company, nor our Promoters, and Directors have been categorized or identified as willful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.

### **Confirmation under the Companies (Significant Beneficial Ownership) Rules, 2018**

As on the date of this Draft Letter of Offer, our Company, our Promoters and members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, as amended ("SBO Rules"), to the extent applicable.



## **Eligibility for the Issue**

Our Company is a listed company and has been incorporated under the Companies Act, 2013. Our Equity Shares are presently listed on BSE Limited (BSE- Designated Stock Exchange). Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III of the SEBI ICDR Regulations and other applicable provisions of the SEBI ICDR Regulations. Pursuant to Clauses (1) and (2) of Part B of Schedule VI to the SEBI ICDR Regulations, our Company is required to make disclosures in accordance with Part B-1 of Schedule VI to the SEBI ICDR Regulations.

## **Compliance with Regulation 61 and 62 of the SEBI ICDR Regulations**

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Our Company has made application to the Stock Exchange and has received their in-principal approvals for listing of the Rights Equity Shares to be issued pursuant to this Issue. BSE is the Designated Stock Exchange for the purpose of the Issue.

## **Disclaimer Clause of SEBI**

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is up to Rs. [•] lakhs.

## **Disclaimer from our Company, our Director(s)**

Our Company accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in the Issue will be deemed to have represented to our Company and its officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

## **Cautions**

Our Company shall make all relevant information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date.

## **Disclaimer with respect to the jurisdiction**

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Gujarat, India only.

## **Designated Stock Exchange**

The Designated Stock Exchange for the purposes of the Issue is BSE Limited.

## **Listing**

Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

## Disclaimer Clause of the BSE

As required, a copy of this Draft Letter of Offer has been submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Draft Letter of Offer is set out below:

“BSE Limited (“the **Exchange**”) has given, vide its letter dated [●] permission to this Company to use the Exchange’s name in this Draft Letter of Offer as one of the stock exchanges on which this Company’s securities are proposed to be listed. The Exchange has scrutinized this Draft Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- (i) Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer; or
- (ii) warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or
- (iii) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this Draft Letter of Offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.”

## Selling Restrictions

The distribution of this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, any other issue material (collectively, “Issue Materials”) and the issue of Rights Entitlements and the Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Issue Materials may come, are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and in accordance with the SEBI ICDR Regulations, our Company will send / dispatch the Issue Materials only to the Eligible Equity Shareholders who have provided Indian address and who are located in jurisdictions where the offer and sale of the Rights Entitlements and the Rights Equity Shares are permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials.

Further, the Draft Letter of Offer will be provided to those who have provided their Indian addresses to our Company and who makes a request in this regard. Investors can also access the Draft Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company and the Stock Exchanges.

Our Company shall also endeavor to dispatch physical copies of the Issue Materials to Eligible Equity Shareholders who have provided an Indian address to our Company. Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer was filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, the Issue Materials must be treated as sent for information only and should not be copied, redistributed or acted upon for subscription to Rights Equity Shares or the purchase of Rights Entitlements. Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the issue of the Rights Entitlements or Rights Equity Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations or would subject the Company or their respective affiliates to any filing or registration requirement (other than in India). If Issue Materials is received by any person in any such

jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Rights Equity Shares referred to in Issue Materials. Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares in this Issue must provide an Indian address.

Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction, without requirement for our Company or their respective affiliates to make any filing or registration (other than in India).

Neither the delivery of this Draft Letter of Offer nor any sale/ offer of the Rights Equity Shares and/ or the Rights Entitlements hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or the date of such information.

**THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS BUSINESS, LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF BUYING OR SELLING OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. AS A RESULT, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. IN ADDITION, NEITHER OUR COMPANY NOR ANY OF THEIR RESPECTIVE AFFILIATES ARE MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHTS EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.**

#### **NO OFFER IN THE UNITED STATES**

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "US SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR THE TERRITORIES OR POSSESSIONS THEREOF (THE "UNITED STATES" OR "U.S."), EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND RIGHTS EQUITY SHARES REFERRED TO IN THIS DRAFT LETTER OF OFFER ARE BEING OFFERED AND SOLD IN OFFSHORE TRANSACTIONS OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE US SECURITIES ACT ("REGULATION S") TO EXISTING SHAREHOLDERS LOCATED IN JURISDICTIONS WHERE SUCH OFFER AND SALE OF THE RIGHTS EQUITY SHARES AND/ OR RIGHTS ENTITLEMENTS ARE PERMITTED UNDER LAWS OF SUCH JURISDICTIONS. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY OR TRANSFER ANY OF THE SAID SECURITIES. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THIS DRAFT LETTER OF OFFER IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation or purchase of the Rights Equity Shares and/ or Rights Entitlements from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States or from any other jurisdiction where it would be illegal to make an offer of securities under this Draft Letter of Offer, the Letter of Offer. Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States and is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares and/ or the Rights Entitlements is not permitted under laws of such jurisdictions;

(ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is not in the United States and eligible to subscribe for the Rights Equity Shares and/ or the Rights Entitlements under applicable securities laws, and such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares and/ or Rights Entitlements in respect of any such Application Form.

Our Company is not making, and will not make, and will not participate or otherwise be involved in any offers or sales of the Rights Entitlements, the Rights Equity Shares or any other security with respect to this Issue in the United States.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "US SEC"), any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Draft Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

## **NOTICE TO INVESTORS**

**NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS DRAFT LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS DRAFT LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS. EACH PURCHASER OF THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN THIS ISSUE WILL BE DEEMED TO HAVE MADE ACKNOWLEDGMENTS AND AGREEMENTS.**

## **Consents**

Consents in writing of our Directors, Legal Advisor, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

Our Company has received written consent dated [●] from our Statutory Auditor, for inclusion of their report, dated \_\_, 2023 on the Financial Information in this Draft Letter of Offer and to include their name in this Draft Letter of Offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to the Statement of Tax Benefits dated May 31, 2022 in the form and context in which it appears in this Draft Letter of Offer. Such consent has not been withdrawn up to the date of this Draft Letter of Offer.

## **Filing**

This Draft Letter of Offer is being filed with the BSE as per the provisions of the SEBI ICDR Regulations. SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which, the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased to Rupees Fifty Crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with the Stock Exchanges and not with SEBI. However, the Letter of Offer will be submitted to SEBI for information and dissemination and will be filed with the Stock Exchanges.

## Stock Market Data of the Equity Shares

Our Equity Shares are listed and traded on BSE.

## Expert Opinion

Our Company has received written consent dated [●] from our Statutory Auditor to include their name as required under the SEBI ICDR Regulations in this Draft Letter of Offer, and as an ‘expert’ as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors and in respect of their (i) examination report dated May 31, 2022 on our Restated Financial Statements for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 and December 31, 2022; ii) Limited review report dated January 10, 2023 for quarter ending December 31, 2022 and (iii) their report dated [●] on the Statement of special tax benefits available to the Company and its shareholders under the applicable tax laws in India in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer. However, the term ‘expert’ shall not be construed to mean an “expert” as defined under the U.S. Securities Act. Except as stated above, our Company has not obtained any expert opinions.

## Performance vis-à-vis objects – Public/Rights Issue of our Company

Our Company has not made any rights issues or public issues during the five years immediately preceding the date of this Draft Letter of Offer. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

## Particulars In Regard To Our Company And Other Listed Companies Under The Same Management Within The Meaning Of Section 186 Of The Companies Act, 2013 Which Made Any Capital Issue During The Last Three Years:

There are no listed companies under the same management within the meaning of Section 186 of the Companies Act, 2013 that made any capital issue viz. initial public offering, rights issue or composite issue during the last three years.

## Status of Investor Complaints

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Draft Letter of Offer.

## Changes In Auditors During The Last Three Financial Years

There has been change in the Auditors of the Company during the last three years as follows:

From	To	Name of Auditors	Date of Change
2016	2021	Vijay Chauhan & Association	25-08-2017; BOD
2021	2022	Philip Fernandes & Co	03-03-2022; EGM

## Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements in compliance with SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. Big Share Service Private Limited is our Registrar and Share Transfer Agent to the Issue. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 15 days from the date of receipt of the complaint.

**Investors may contact the Registrar or our Compliance Officer for any pre-Issue/post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the**

sole/ first holder, folio number or demat account number, serial number of the Application Form, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form, or the plain paper application, as the case may be, was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip (in case of ASBA process), For details on the ASBA process, please see “Terms of the Issue” on page 182.

#### **Investor Grievances arising out of this Issue:**

Investors may contact the Registrar to the Issue at:

<b>Name</b>	: •Big Share Service Pvt. Ltd.
<b>Address</b>	: 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai-400059, Maharashtra.
<b>Tel No.</b>	: +91 022- 40430200/62638200
<b>Email Id</b>	: <a href="mailto:info@bigshareonline.com">info@bigshareonline.com</a> / <a href="mailto:sandeep@bigshareonline.com">sandeep@bigshareonline.com</a>
<b>Investor grievance e-mail</b>	: <a href="mailto:sandeep@bigshareonline.com">sandeep@bigshareonline.com</a> / <a href="mailto:info@prernagroup.com">info@prernagroup.com</a>
<b>Contact Person</b>	: Mr. SANDEEP
<b>Website</b>	: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>
<b>SEBI Registration No.</b>	: INR000001385

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre Issue/ post-Issue related matters such as on-receipt of Letters of Allotment / demat credit/ Refund Orders etc.

**Ms. Megha Rajendrakumar Shah** is the Company Secretary and the Compliance Officer of our Company. Her contact details are as follows:

<b>Name</b>	: <b>MS. MEGHA RAJENDRAKUMAR SHAH</b>
<b>Address</b>	: First Floor, Chunibhai Chambers, Behind City Gold (Old Dipali Theatre), Ashram Road, Ahmedabad - 380009, Gujarat, India.
<b>Tel No.</b>	: +91 261 2538046
<b>Email Id</b>	: <a href="mailto:info@prernagroup.com">info@prernagroup.com</a>
<b>Website</b>	: <a href="http://www.prernagroup.com">www.prernagroup.com</a>

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar at [www.bigshareonline.com](http://www.bigshareonline.com). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are ([●]).

#### **Minimum Subscription**

The objects of the Issue are meeting the Working Capital Requirements and General Corporate Purpose, and do not involve financing of capital expenditure for a project.

Further, our Promoters and Promoter Group have undertaken that they will subscribe to the full extent of their Rights Entitlements and that they shall not renounce their Rights Entitlements (except to the extent of renunciation by any of them in favour of any other Promoter or member of the Promoter Group) subject to the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI Listing Regulations.

Accordingly, in terms of Regulation 86(1) of the SEBI ICDR Regulations, the requirement of minimum subscription is not applicable to the Issue.

## SECTION VII – ISSUE RELATED INFORMATION TERMS OF THE ISSUE

*This section is for the information of the Eligible Equity Shareholders proposing to apply in this Issue. The Eligible Equity Shareholders should carefully read the provisions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. The Eligible Equity Shareholders are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Draft Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Relaxation Circulars, the Eligible Equity Shareholders proposing to apply in this Issue can apply only through ASBA.*

*Further, SEBI has pursuant to the SEBI Rights Issue Circular stated that in the event there are physical shareholders who have not been able to open a demat account pursuant to the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 or are unable to communicate their demat account details to our Company or the Registrar for credit of Rights Entitlements, such physical shareholders may be allowed to submit their Application. For more details, please see 'Making Application by Eligible Equity Shareholders holding Equity Shares in physical form' beginning on page 164.*

*This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.*

### **I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS**

In accordance with the SEBI ICDR Regulations, the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Shareholders can access this Draft Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

- (i) our Company at [www.prernagroup.com](http://www.prernagroup.com)
- (ii) .com;
- (iii) the Registrar at [www.bigshareonline.com](http://www.bigshareonline.com).; and
- (iv) the Stock Exchange at [www.bseindia.com](http://www.bseindia.com)

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, [www.kfintech.com](http://www.kfintech.com)) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, [www.prernagroup.com](http://www.prernagroup.com)).

**Please note that neither our Company nor the Registrar shall be responsible for non-dispatch of physical copies of Issue materials, including this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible**



**Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.**

The distribution of this Draft Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer is being filed with the Stock Exchanges. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or their respective affiliates to make any filing or registration (other than in India).

## **II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE**

**In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Eligible Shareholders desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Eligible Shareholders should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see 'Making of an Application through the ASBA Process' beginning on page 161 of this Draft Letter of Offer.**

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see "*Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" below.

Please note that one single Application Form shall be used by Shareholders to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Shareholders who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Shareholders will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Shareholders are required to submit a separate Application Form for each demat account.

Shareholders may apply for the Equity Shares by submitting the Application Form to the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Shareholders are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

**Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see “Grounds for Technical Rejection” below. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.**

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” below.

- **Options available to the Eligible Equity Shareholders**

The Rights Entitlement Letter will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- apply for its Equity Shares to the full extent of its Rights Entitlements; or
- apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or
- renounce its Rights Entitlements in full.

#### **Making of an Application through the ASBA process**

Eligible Shareholders, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Shareholders desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Eligible Shareholders should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Eligible Shareholders may apply for the Issue Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Eligible Shareholders while applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

***Do's for Shareholders applying through ASBA:***

- a) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only.
- b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- c) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

***Don'ts for Shareholders applying through ASBA:***

- (a) Do not apply if you are not eligible to participate in the Issue under securities laws applicable to your jurisdiction.
- (b) Do not submit the Application Form after you have submitted a plain paper Application to a designated Branch of the SCSB or *vice versa*.
- (c) Do not send your physical Application to the Registrar, the Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- (d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- (e) Do not submit Application Form using third party ASBA account.

**• Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process**

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB.

Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- i. Name of our Company, being PRERNA INFRABUILD LIMITED;
- ii. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- iii. Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) / DP and Client ID;
- iv. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue
- v. Number of Equity Shares held as on Record Date;
- vi. Allotment option – only dematerialised form;
- vii. Number of Equity Shares entitled to;
- viii. Number of Equity Shares applied for within the Rights Entitlements;
- ix. Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
- x. Total number of Equity Shares applied for;
- xi. Total amount paid at the rate of ₹ 1 per Equity Share;
- xii. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
- xiii. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- xiv. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- xv. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
- xvi. All such Eligible Equity Shareholders are deemed to have accepted the following:  
*“I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for Shareholders in investments of the type subscribed for herein imposed by the jurisdiction of our residence.*

*I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.*

*I/ We (i) am/ are, and the person, if any, for whose account I/ we am/ are acquiring such Rights Entitlement and/ or the Rights Equity Shares is/ are, outside the U.S., (ii) am/ are not a “U.S. Person” as defined in (“Regulation S”), and (iii) is/ are acquiring the Rights Entitlement and/ or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulation S.*

*I/ We acknowledge that the Company, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”*

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where a Shareholders submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Shareholders are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company, and the Registrar not having any liability to the Shareholders. The plain paper Application format will be available on the website of the Registrar at [www.kfintech.com](http://www.kfintech.com).

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Shareholders' ASBA Accounts on or before the Issue Closing Date.

### **Acceptance of this Issue**

Eligible Equity Shareholders may accept this Issue and apply for the Issue Shares submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected. Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section '*Making of an Application by Eligible Equity Shareholders on plain paper under ASBA Process*' on page 163.

#### **• Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form**

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;
- b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- c) The remaining procedure for Application shall be same as set out in “- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” mentioned above.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process.

### **Application for Additional Equity Shares**

Shareholders are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares

applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “*Basis of Allotment*” mentioned below.

**Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares.**

Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

*Additional general instructions for Shareholders in relation to making of an application*

- a. Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.
- b. Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- c. In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” mentioned above.
- d. Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- e. Applications should not be submitted to the Banker(s) to the Issue or Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.
- f. All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Shareholders for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Equity Shares pursuant to this Issue shall be made into the accounts of such Shareholders.
- g. Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (“**Demographic Details**”) are updated, true and correct, in all respects. Shareholders applying under this Issue should note that on the basis of name of the Shareholders, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Shareholders applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Shareholders including mailing of the letters intimating unblocking of bank account of the respective Shareholders and/or refund. The Demographic Details given by the Shareholders in the Application Form would not be used for any other purposes by the Registrar. Hence, Shareholders are advised to update their Demographic Details as provided to their Depository Participants.

**The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Shareholders as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Shareholders. Please note that any such delay shall be at the sole risk of the Shareholders and none of our Company, the SCSBs, Registrar shall be liable to compensate the Shareholders for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Shareholders (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.**

- h. By signing the Application Forms, Shareholders would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

- i. For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Shareholders must sign the Application as per the specimen signature recorded with the SCSB.
- j. Shareholders should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Shareholders will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.
- k. In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- l. All communication in connection with Application for the Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- m. Shareholders are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- n. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- o. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- p. Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- q. Do not pay the Application Money in cash, by money order, pay order or postal order.
- r. Do not submit multiple Applications.
- s. No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.
- t. An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

#### • **Grounds for Technical Rejection**

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- (b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.



- (c) Sending an Application to our Company, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.
- (d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (f) Account holder not signing the Application or declaration mentioned therein.
- (g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- (h) Multiple Application Forms, including cases where a Shareholders submits Application Forms along with a plain paper Application.
- (i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- (k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (l) Application Forms which are not submitted by the Shareholders within the time periods prescribed in the Application Form and this Letter of Offer.
- (m) Physical Application Forms not duly signed by the sole or joint Shareholders, as applicable.
- (n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand s.
- (o) If a Shareholders is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Shareholders to subscribe to their Rights Entitlements.
- (p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.
- (q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (r) Application from Shareholders that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

#### • **Multiple Applications**

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Shareholders and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see “*Procedure for Applications by Mutual Funds*” mentioned below.

In cases where Multiple Application Forms are submitted, including cases where (a) an Shareholders submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications on ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoter or members of the Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in “*Capital Structure - Intention and extent of participation by our Promoter*” mentioned above.

• **Procedure for Applications by certain categories of Shareholders Procedure for Applications by FPIs**

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its Shareholders group (which means multiple entities registered as foreign portfolio Shareholders and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or Shareholders group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or Shareholders group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the Shareholders will also be required to comply with applicable reporting requirements.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

1. such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
2. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

**Procedure for Applications by AIFs, FVCIs, VCFs and FDI route**

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs. As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders

to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

### **Procedure for Applications by NRIs**

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporate in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Shareholders**”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Shareholders will also require prior approval of the Government of India and each Shareholders should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Shareholders shall intimate our Company and the Registrar about such approval within the Issue Period.

### **Procedure for Applications by Mutual Funds**

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

### **Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)**

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificates from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

### **Last date for Application**

The last date for submission of the duly filled in the Application Form or a plain paper Application is, [●], i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in “- *Basis of Allotment*” mentioned on page 179.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Shareholders can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

### **Withdrawal of Application**

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, may withdraw their Application post the Issue Closing Date.

### **Disposal of Application and Application Money**

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Issue Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

### **III. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS**

#### **• Rights Entitlements**

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, [www.kfintech.com](http://www.kfintech.com)) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, [www.pernagroup.com](http://www.pernagroup.com)).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the

Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e.* [www.kfintech.com](http://www.kfintech.com)). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send this the Letter of Offer and the Abridged Letter of Offer, the Application Form and other applicable Issue materials primarily to email addresses of Eligible Equity Shareholders who have provided an Indian address to our Company. This Letter of Offer will be provided to those who make a request in this regard.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with our Company or the Eligible Shareholders have not provided valid e-mail addresses to our Company, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

This the Letter of Offer the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar, our Company through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares and/ or the Rights Entitlements under applicable securities laws) and on the Stock Exchange website. The distribution of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares and/ or the Rights Entitlements on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer has been filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Issue Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Issue Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes and Application will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Issue Shares under the laws of any jurisdiction which apply to such person.

#### **Credit of Rights Entitlements in dematerialised account**

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit / credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) instances where credit of

the Rights Entitlements returned/reversed/failed; or (f) Equity Shares, the ownership of which is currently under dispute, including in any court proceedings.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self- attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

#### **IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT**

- **Renouncees**

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

- **Renunciation of Rights Entitlements**

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

- **Procedure for Renunciation of Rights Entitlements**

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the “**On Market Renunciation**”); or (b) through an off-market transfer (the “**Off Market Renunciation**”), during the Renunciation Period. The Shareholders should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Shareholders may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Shareholders who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

**Please note that the Rights Entitlements which are neither renounced nor subscribed by the Shareholders on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.**

#### **Payment Schedule of Issue Equity Shares**

Rs. [●] per Issue Share (including premium of [●] per Issue Share) shall be payable on Application.

**Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Eligible Shareholders.**

#### **(a) On Market Renunciation**

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is [●] ([●]) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from [●] to [●] (both days inclusive).

The Shareholders holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN [●] and indicating the details of the Rights Entitlements they intend to trade. The Shareholders can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

#### **(b) Off Market Renunciation**

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date to enable Renouncees to subscribe to the Equity Shares in the Issue.

The Shareholders holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Shareholders can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

### **V. MODE OF PAYMENT**

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through the ASBA facility, the Shareholders agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Shareholders's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Shareholders in the Application Form does not have sufficient funds equivalent to the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Letter of Offer.



After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

### **Mode of payment for Resident Shareholders**

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

### **Mode of payment for Non-Resident Shareholders**

As regards the Application by non-resident Shareholders, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
2. Subject to the above, in case Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares.

### **• Fractional Entitlements**

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held as on the Record Date. As per SEBI Rights Issue Circular, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in the multiple of [●] Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds [●] Equity Shares, such Equity Shareholder will be entitled to [●] Rights Equity Share and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/her

Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than two Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

- **Ranking**

The Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Equity Shares to be issued and Allotted under this Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

- **Listing and trading of the Equity Shares to be issued pursuant to this Issue**

Subject to receipt of the listing and trading approvals, the Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number [●]. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Equity Shares or the price at which the Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 531802) under the ISIN: INE426H01014. The Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule. In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within three days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Equity Shares, and if any such money is not refunded/ unblocked within three days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

**Subscription to this Issue by our Promoter and members of the Promoter Group**

For details of the intent and extent of subscription by our Promoter and members of the Promoter Group, see “*Capital Structure - Intention and extent of participation by our Promoter*” mentioned above.

- **Rights of Holders of Equity Shares of our Company**

Subject to applicable laws, Shareholders who have been Allotted Equity Shares pursuant to the Issue shall have the following rights:

- a. The right to receive dividend, if declared;
- b. The right to receive surplus on liquidation;
- c. The right to receive offers for rights shares and be allotted bonus shares, if announced;
- d. The right to free transferability of Equity Shares;
- e. The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless

- prohibited / restricted by law and as disclosed in this Letter of Offer; and
- f. Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

## **VII. GENERAL TERMS OF THE ISSUE**

### **• Market Lot**

The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Issue Shares in dematerialised mode is one Equity Share.

### **• Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

### **• Nomination**

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with the respective DPs of the Shareholders would prevail. Any Shareholders holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

### **• Arrangements for Disposal of Odd Lots**

The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be 1 Equity Shares and hence, no arrangements for disposal of odd lots are required.

### **• Notices**

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circular, our Company will send, primarily through email, the Abridged Letter of Offer, Application Form and other applicable Issue materials to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. This Letter of Offer will be provided, primarily through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with our Company or the Eligible Shareholders have not provided valid e-mail addresses to our Company, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one regional language newspaper with wide circulation in Mumbai, where our Registered Office is situated.

This Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on its website.

### **• Offer to Non-Resident Eligible Equity Shareholders/Shareholders**

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident Equity Shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received

from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Shareholders has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at [www.kfintech.com](http://www.kfintech.com). It will be the sole responsibility of the Shareholders to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access this Draft Letter Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, and the Stock Exchanges. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Equity Shares purchased by non- residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of Shareholders and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs) Regulations, 2003. Any Shareholders being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self- attested proof of address, passport, etc. at [www.kfintech.com](http://www.kfintech.com).

## **ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM**

**PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” AS MENTIONED ABOVE.**

### **VIII. ISSUE SCHEDULE:**

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	[●]
ISSUE OPENING DATE	[●]
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS#	[●]
ISSUE CLOSING DATE*	[●]
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF CREDIT (ON OR ABOUT)	[●]
DATE OF LISTING (ON OR ABOUT)	[●]

*# Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

*\*Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●]. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse.

## **IX. BASIS OF ALLOTMENT**

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Equity Shares in the following order of priority:

- a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Equity Shares renounced in their favour, in full or in part.
- b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for Allotment under this head are more than the number of Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- c) Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of this Issue, have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- d) Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Shareholders who have been allocated Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

## **X. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS**

Our Company will issue/ dispatch Allotment advice, refund intimations or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 (Fifteen) days from the Issue Closing Date. In case of failure to do so, our Company and the Directors who are “officers in default” shall pay interest at 15% (Fifteen Percent) p.a. and such other rate as specified under applicable law from the expiry of such 15 (Fifteen) days’ period.

In accordance with the SEBI Circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, in case of Applications made through the ASBA facility, refunds, if any for un-allotted or partially allotted applications shall be completed on or before T+1 day (T being the date of finalisation of Basis of Allotment).

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through an e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

### **Separate ISIN for Rights Equity Shares**

As per the SEBI – Rights Issue Circular, the Rights Entitlements with a separate ISIN would be credited to the demat account of the respective Eligible Equity Shareholders before the issue opening date. On the Issue Closing date the depositories will suspend the ISIN of REs for transfer and once the allotment is done post the basis of allotment approved by the designated stock exchange, the separate ISIN no. [●] for REs so obtained will be permanently deactivated from the depository system. In respect of the Rights Equity Shares, such Rights Equity Shares would be fully paid-up and merged with the existing ISIN of our Equity Shares.

### **Credit and Transfer of the Rights Equity Shares in case of the Eligible Equity Shareholders holding the Equity Shares in physical form and treatment of such Rights Equity Shares for non-receipt of demat account details in a timely manner**

In case of allotment to the Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date, have paid the Application Money and have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, the following procedure shall be adhered to:

- a. The Registrar shall send Allotment advice and credit the Rights Equity Shares to a demat suspense account to be opened by our Company;
- b. Within 6 months from the Allotment Date, such Eligible Equity Shareholders shall be required to send a communication to our Company or the Registrar containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail or hand delivery;
- c. Our Company (with the assistance of the Registrar) shall, after verification of the details of such demat account by the

Registrar, transfer the Rights Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders;

- d. In case of non-receipt of details of demat account as per (b) above, our Company shall conduct a sale of such Rights Equity Shares lying in the demat suspense account on the floor of the Stock Exchange at the prevailing market price and remit the proceeds of such sale (net of brokerage, applicable taxes and administrative and incidental charges) to the bank account mentioned by the resident Eligible Equity Shareholders in their respective Application Forms and from which the payment for Application Money was made. In case such bank accounts cannot be identified due to any reason or bounce back from such account, our Company may use payment mechanisms such as cheques, demand drafts, etc. to such Eligible Equity Shareholders to remit such proceeds. Such Rights Equity Shares may be sold over such period of time as may be required, depending on liquidity and other market conditions on the floor of the Stock Exchange after the expiry of the period mentioned under (b) above. Therefore, such proceeds (net of brokerage, applicable taxes and administrative and incidental charges) by way of sale of such Rights Equity Shares may be higher or lower than the amount paid by such Eligible Equity Shareholders at the time of subscribing such shares;
- e. Our Company shall send reminder notices seeking the requisite details of demat account prior to expiry of time period under (b) above, in due course, to such resident Eligible Equity Shareholders who have not provided the requisite details. After expiry of time period under (b) above, our Company or the Registrar shall not accept any requests by such Eligible Equity Shareholders for updating the details of demat account under any circumstances, including in case of failure to sell such Rights Equity Shares; After the consummation of the sale of Rights Equity Shares on the floor of the Stock Exchanges, our Company shall send an intimation to the respective Eligible Equity Shareholders, giving details of such sale, including the sale price and break- up of net brokerage, taxes and administrative and incidental charges;
- f. If at the time of transfer of sale proceeds for default cases, the bank account from which Application Money was received is closed or non-operational, such sale proceeds will be transferred to IEPF in accordance with practice on Equity Shares and as per applicable law; and
- g. In case the details of demat account provided by the Eligible Equity Shareholders are not of his/ her own demat account, the Rights Equity Shares shall be subject to sale process specified under (d) above.

**Notes:**

- 1. Our Company will open a separate demat suspense account to credit the Rights Equity Shares in respect of such Eligible Equity Shareholders who hold the Equity Shares in physical form as on at least two Working Days prior to the Issue Closing Date. Our Company, with the assistance of the Registrar, will initiate transfer of such Rights Equity Shares from the demat suspense account to the demat account of such Eligible Equity Shareholders, upon receipt of details of demat accounts from the Eligible Equity Shareholders.
- 2. The Eligible Equity Shareholders cannot trade in such Rights Equity Shares until the receipt of demat account details and transfer to such Eligible Equity Shareholders' respective account.
- 3. There will be no voting rights against such Rights Equity Shares kept in the demat suspense account. However, the respective Eligible Equity Shareholders will be eligible to receive dividends, if declared, in respect of such Rights Equity Shares on the Rights Equity Shares, as permitted under applicable laws.
- 4. Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. The Eligible Equity Shareholders should obtain their own independent tax and legal advice and may not rely on our Company or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates when evaluating the tax consequences in relation to the Rights Equity Shares (including but not limited to any applicable short-term capital gains tax, or any other applicable taxes or charges in case of any gains made by such Eligible Equity Shareholders from the sale of such Rights Equity Shares).
- 5. Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not be liable in any manner and not be responsible for acts, mistakes, errors, omissions and commissions, etc., in relation to any delay in furnishing details of demat account by such Eligible Equity Shareholders, any resultant loss to the Eligible Equity Shareholders due to sale of the Rights Equity Shares, if such details are not correct, demat account is frozen or not active or in case of non- availability of details of bank account of such Eligible Equity Shareholders, profit or loss to such Eligible Equity Shareholders due to aforesaid process, tax deductions or other costs charged by our Company, or on account of aforesaid process in any manner.



## **XI. PAYMENT OF REFUND**

- **Mode of making refunds**

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through unblocking amounts blocked using ASBA facility.

**Refund payment to non-residents**

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

## **XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES**

- **Receipt of the Equity Shares in Dematerialized Form**

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

**PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.**

Shareholders shall be allotted the Equity Shares in dematerialized (electronic) form.

**SHAREHOLDERS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.**

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the dematerialized form is as under:

- Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Shareholders having various folios in our Company with different joint holders, the Shareholders will have to open separate accounts for such holdings. Those Shareholders who have already opened such beneficiary account(s) need not adhere to this step.
- It should be ensured that the depository account is in the name(s) of the Shareholders and the names are in the same order as in the records of our Company or the Depositories.
- The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Shareholders's depository participant, would rest with the Shareholders. Shareholders should ensure that the names of the Shareholders and the order in which they appear in Application Form should be the same as registered with the Shareholders's depository participant.
- If incomplete or incorrect beneficiary account details are given in the Application Form, the Shareholders will not get any Equity Shares and the Application Form will be rejected.
- The Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, *etc.*). Allotment advice, refund order (if any) would be sent directly to the Applicant by e-mail and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Applicant's depository account.
- Non-transferable Allotment advice/ refund intimation will be directly sent to the Shareholders by the Registrar, by e-mail

and, if the printing is feasible, through physical dispatch.

- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

### **XIII. IMPERSONATION**

As a matter of abundant caution, attention of the Shareholders is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who*

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least Rs. 10 Lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than Rs. 10 Lakhs or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to Rs. 50 Lakhs or with both.

### **XIV. UTILISATION OF ISSUE PROCEEDS**

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account;
- B. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
- C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
- D. Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

### **XV. UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

- i. The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
- ii. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.
- iii. The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- iv. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- v. In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

- vi. Adequate arrangements shall be made to collect all ASBA Applications.
- vii. At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
- viii. Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
- ix. Our Company accepts full responsibility for the accuracy of information given in this Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

## **XVI. SHAREHOLDERS GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS**

- 1) Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected.
- 2) All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed “**PRERNA INFRABUILD LIMITED – Rights Issue**” on the envelope and postmarked in India or in the e- mail) to the Registrar at the following address:

<b>Name</b>	: <b>BIGSHARE SERVICES PRIVATE LIMITED</b>
<b>Address</b>	: 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai-400059, Maharashtra
<b>Tel No.</b>	: 022- 40430200/62638200
<b>Email Id</b>	: info@bigshareonline.com / <a href="mailto:sandeep@bigshareonline.com">sandeep@bigshareonline.com</a>
<b>Investor grievance e-mail</b>	: sandeep@bigshareonline.com / info@prernagroup.com
<b>Contact Person</b>	: SANDEEP
<b>Website</b>	: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>
<b>SEBI Registration No.</b>	: INR000001385

- 3) In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders will be available on the website of the Registrar [www.kfintech.com](http://www.kfintech.com). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 22 2301 2518 / 8261.
- 4) The Shareholders can visit [www.kfintech.com](http://www.kfintech.com) for the below-mentioned purposes also:
  - i. Frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders.
  - ii. Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company.
  - iii. Updation of demat account details by Eligible Equity Shareholders holding shares in physical form.
  - iv. Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders.

This Issue will remain open for a minimum 7 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“**FDI**”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the “Department of Industrial Policy and Promotion”) (“**DPIIT**”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“**FDI Circular 2020**”), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non- resident shareholding is within the sectorial limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“**OCBs**”) have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

*The above information is given for the benefit of the Applicants / Investors. Our Company are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.*

## **SECTION VIII – OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years prior to the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of these documents for inspection referred to hereunder, will be made available at our Registered Office between 10:30 a.m. to 5:00 p.m. on all working days from the date of this Draft Letter of Offer until the Issue Closing Date.

#### **A. Material Contracts for the Issue**

1. Registrar Agreement dated [●] between our Company and the Registrar to the Issue.
2. Bankers to the Issue Agreement dated [●] among our Company the Registrar to the Issue and the Bankers to the Issue.
3. Tripartite Agreement between our Company, NSDL and the Registrar to the Company.
4. Tripartite Agreement between our Company, CDSL and Registrar to the Company.

#### **B. Material Documents in Relation to the Issue**

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company.
2. Certificate of Incorporation dated April 13, 1988 under the name of “Panchranta Safe vaults Private Limited” was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli.
3. Fresh Certificate of Incorporation dated October 19, 2006 under the name of “PRERNA INFRABUILD LIMITED” was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli upon name change of the company.
4. Copy of the Board Resolution dated December 15, 2022 approving the Rights Issue.
5. Copy of the Extra Ordinary General Meeting dated January 09, 2023 approving the Rights Issue.
6. Copy of the Resolutions of our Board dated May 31, 2022 approving and adopting the Draft Letter of Offer.
7. Copy of the Resolution of our Committee of Directors dated [●], finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio.
8. Consents of our Promoters, Directors, Company Secretary and Compliance Officer, Statutory Auditor, Bankers to our Company, Bankers to the Issue, Legal Advisor to the Issue and the Registrar to the Issue for inclusion of their names in this Draft Letter of Offer to act in their respective capacities.
9. Copy of audited reports for the 5 years.

10. Copy of the Limited Review Report for period ended December 2022.
11. Peer Review/ Independent Auditor`s Report date [●] issued by M/s Philips Fernandes & Co., Chartered Accountants, on the Restated Financial Statements for the financial years ending March 31, 2022, 2021 and 2020 and quarter ending on December 31, 2022 of our Company.
12. Statement of Tax Benefits dated [●] issued by M/s Philips Fernandes & Co., Chartered Accountants, Chartered Accountants, Independent Peer Review Certified Auditor to the Company and Shareholders.
13. In-principal approval issued by the BSE dated [●].

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without notice to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Letter of Offer are true and correct.

**Name of the Directors**

**Signature**

**Mr. Vijay C. Shah**  
**Managing Director**  
**DIN No.: 00038062**

S/d

**Mr. Sanket V. Shah**  
**Managing Director**  
**DIN No.: 00038121**

S//d

**Mrs. Nalini Vijay Shah**  
**Whole Time Director**  
**DIN No.: 00119538**

S/d

**Mr. Mahendra Kantibhai Gosalia**  
**Independent Director**  
**DIN No.: 02279850**

S/d

**Mr. Kiran Hiralal Shah**  
**Independent Director**  
**DIN No.: 02725833**

S/d

**Mr. Krupali Rishit Shah**  
**Non-Executive Director**  
**DIN No.: 08604775**

S/d

**Place: Ahmedabad**

**Date: \_\_\_\_\_, 2023**