



PERFECT INFRAENGINEERS LIMITED

Our Company was originally incorporated as "Perfect Aircon Engineering Private Limited", as a Private Limited Company under the provision of Companies Act, 1956 vide Certificate of Incorporation dated May 16, 1996. Pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on April 05, 2005, our Company was converted into a public limited company and the name of our Company was changed to "Perfect Aircon Engineering Limited" pursuant to a fresh Certificate of Incorporation dated April 19, 2005 issued by the Registrar of Companies, Maharashtra, Mumbai. The name of our Company was further changed to "Perfect Infraengineers Limited" pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on April 20, 2009 and a fresh Certificate of Incorporation dated May 11, 2009 was issued by the Registrar of Companies, Maharashtra, Mumbai. Our Company was listed on NSE Emerge platform on November 20, 2015. The Corporate Identification Number is L29190MH1996PLC099583.

Registered Office: R-637, TTC Industrial Area, MIDC, T. B. Road, Rabale, Navi Mumbai, Thane, Maharashtra-400708, India

Tel No: +91 9004 699 338 | **Email:** cs@perfectinfra.com | **Website:** www.perfectinfra.com

Contact Person: Maryam Bahnan, Company Secretary & Compliance Officer

Contact Person: Maryam Bahmani, Company Secretary & Compliance Officer			
THE PROMOTERS OF OUR COMPANY ARE NIMESH MEHTA AND MANISHA MEHTA			
FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF PERFECT INFRAENGINEERS LIMITED (OUR “COMPANY” OR THE “ISSUER”) ONLY			
ISSUE OF UPTO 64,32,000 PARTLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (“RIGHTS EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 18/- EACH PER RIGHTS EQUITY SHARE (INCLUDING PREMIUM OF ₹ 8/- PER EQUITY SHARE) (THE “ISSUE PRICE”), AGGREGATING UPTO ₹ 1,157.76 LAKHS/- ² ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 58 RIGHTS EQUITY SHARE(S) FOR EVERY 100 FULLY PAID-UP EQUITY SHARE(S) HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON TUESDAY, AUGUST 01, 2023 (THE “ISSUE”). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS ₹18/- WHICH IS 1.8 TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE SEE THE SECTION TITLED “TERMS OF THE ISSUE” ON PAGE 135 OF THE LETTER OF OFFER.			
# Assuming full subscription and receipt of all Call Monies with respect to the Rights Equity Shares.			
AMOUNT PAYABLE PER RIGHTS EQUITY SHARE	FACE VALUE (₹)	PREMIUM (₹)	TOTAL (₹)
On Application	3	4	7
One or more subsequent Call(s) as determined by our Board at its sole discretion, from time to time	7	4	11
Total	10	8	18
* For further details on Payment Schedule, see “Terms of the Issue” on page 135.			
GENERAL RISKS			
Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and this Issue including the risks involved. The securities being offered in the Issue have not been recommended nor approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of the investors is invited to “Risk Factors” beginning on page 23 of this Letter of Offer before making an investment in this Issue			
COMPANY’S ABSOLUTE RESPONSIBILITY			
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, and that the information contained in this 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 makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.			
LISTING			
The Equity Shares of our Company are listed on the EMERGE Platform of the National Stock Exchange of India Limited (“NSE EMERGE”) (the “Stock Exchange”). Our Company has received “In -Principle” approval from NSE for listing the Rights Equity Shares, through their letter dated July 07, 2023. Our Company will also make an application to the Stock Exchange to obtain its trading approval for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purposes of the Issue, the Designated Stock Exchange is National Stock Exchange of India Limited.			
REGISTRAR TO THE ISSUE			
		Kfin Technologies Limited Selenium Tower-B, Plot 31&32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana, India Tel. No: +91 40 6716 2222 E-mail Id: pil.rights@kfintech.com Website: www.kfintech.com Contact Person: M.Murali Krishna SEBI Registration No: INR000000221	
ISSUE PROGRAMME			
ISSUE OPENS ON:	Monday, August 14, 2023		
LAST DATE ON MARKET RENUNCIATION*	Friday, August 18, 2023		
ISSUE CLOSES ON:#	Thursday, August 24, 2023		

*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(s) 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 (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.

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SECTION I

GENERAL CONVENTIONAL AND ABBREVIATIONS

This Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

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 Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in “Statement of Special Tax Benefits” and “Financial Information” beginning on pages 58 and 89, respectively, shall have the meaning given to such terms in such sections.

CONVENTIONAL / GENERAL TERMS

TERM	DESCRIPTION
Perfect Infraengineers Limited / PIL / We / us / Our / our / Company or Issuer	Unless the context otherwise indicates or implies refers to Perfect Infraengineers Limited, a company incorporated as a private limited company under the provisions of the erstwhile Companies Act, 1956 with its registered office at R-637, TTC Industrial Area, MIDC, T. B. Road, Rabale, Navi Mumbai, Thane, Maharashtra-400708, India.
AOA / Articles / Articles of Association	The Articles of Association of our Company, as amended, from time to time.
Auditors / Statutory Auditors	The current statutory auditors of our Company JCR & Co. LLP, Chartered Accountants.
Board / Board of Directors / Our Board	The Board of Directors of our Company, or a duly constituted Committee thereof. For details on the Board of Directors please refer to chapter titled “ Our Management ” on page 79 of this Letter of Offer.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company, being Maryam Bahnan.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company, being Manisha Mehta.
Director(s)	Director(s) on the board of Perfect Infraengineers Limited as appointed from time to time, unless otherwise specified
Equity Shares/Shares	Equity Shares of our Company having face value of ₹10.00/- each, fully paid up, unless otherwise specified in the context thereof
Equity Shareholders / Shareholders	Persons /entities holding Equity Shares of our Company, from time to time
Executive Director(s)	Executive directors of our Company. For details of our Executive Directors, please refer to chapter titled “ Our Management ” on page 79 of this Letter of Offer.
Independent Director	Independent directors on the Board, eligible to be appointed as an independent director under the provisions of Companies Act and SEBI Listing Regulations. For details of the Independent Directors, please refer to chapter titled “ Our Management ” on page 79 of this Letter of Offer.
ISIN	International Securities Identification Number is INE925S01012
Key Management Personnel /KMP	Key management personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies Act, 2013. For details, please refer “ Our Management ” on page 79 this Letter of Offer.

Materiality Threshold	Materiality threshold adopted by our Company for the purpose of disclosure litigations in this Letter of Offer involving our Company, solely for the purpose of the Issue, i.e., ₹21.70 Lakhs (being 3% of the total revenue of our Company, in terms of the Audited Financial Statements as of March 31, 2023) or above
MoA / Memorandum / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Non-Executive Director(s)	Non-Executive directors of our Company. For details of our Non-Executive Directors, please refer to chapter titled “Our Management” on page 79 of this Letter of Offer.
Promoters	Nimesh Mehta and Manisha Mehta.
Promoter Group	The promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations and which are disclosed by the Company to the Stock Exchanges from time to time.
Registered Office	R-637, TTC Industrial Area, MIDC, T. B. Road, Rabale, Navi Mumbai, Thane, Maharashtra-400708, India
Restated Financial Statements	The Restated Financial Information of our Company for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 respectively, which comprises of the statement of assets and liabilities, the statement of profit and loss, the statement of cash flow statement, including a summary of significant accounting policies and other explanatory information. For details, please see the section titled “Financial Information” on page 89 of this Letter of Offer.
Rights Issue Committee	The committee of our Board constituted for purposes of the Issue and incidental matters thereof.
Roc/Registrar of Companies	Registrar of Companies, Mumbai.

ISSUE RELATED TERMS

Term	Description
Abridged Letter of Offer / ALOF	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013.
Allotment, Allot or Allotted	Allotment of Rights Equity Shares pursuant to the Issue.
Allotment Account(s)	The account(s) opened with the Banker(s) to this Issue, into which the 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, 2013.
Allotment Account Bank(s) or Refund Bank(s)	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the Allotment Account and Refund Account will be opened, in this case being, Axis Bank Limited.
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Investor who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange.
Allotment Date	Date on which the Allotment is made pursuant to this Issue.
Allottee(s)	Person(s) who is Allotted Equity Shares pursuant to Allotment.
Applicant(s) or Investors	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Equity Shares pursuant to the Issue in terms of this Letter of Offer.

Application	Application made through (i) 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.
Application Form	Unless the context otherwise requires, an application form used by an Investor to make an application for the Allotment of Equity Shares in the Issue.
Application Money	Aggregate amount payable in respect of the Equity Shares applied for in the Issue at the Issue Price for the Application.
Application Supported by Blocked Amount or ASBA	Application used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in a the ASBA Account maintained with the SCSB.
ASBA Account	Account maintained with the SCSB and specified in the Application Form or the plain paper Application by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application.
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 and SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022.
Banker to the Issue Agreement	Agreement dated January 18, 2022 entered amongst our Company and the Registrar to the Issue and the Banker(s) to the Issue for receipt of the Application Money.
Banker to the Issue	The Allotment Account Banks and the Refund Account Bank to the Issue, in this case being Axis Bank Limited.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in <i>“Terms of the Issue”</i> beginning on page 135 of this Letter of Offer.
Call Money(ies)	The balance amount payable by the holders of the Rights Equity Shares pursuant to the Payment Schedule, being ₹ 11 per Rights Equity Share (66.11% of Issue Price) after payment of the Application Money
Common Application Form / CAF	The application form used by Investors to make an application for Allotment under the Issue
Controlling Branches or Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Stock Exchange	National Stock Exchange of Limited
Draft Letter of Offer	This draft letter of offer dated June 23, 2023.
Eligible Shareholder(s) Equity	Holder(s) / Beneficial Owner of the Equity Shares of our Company as on the Record Date
IEPF	Investor Education and Protection Fund

Investor(s)	Eligible Equity Shareholder(s) of our Company on the Record Date, Tuesday, August 01, 2023, and the Renouncee(s)
ISIN	International securities identification number
Issue	This issue of up to 64,32,000 Partly paid-up Equity Shares for cash at a price ₹ 18 per Equity Share (including a premium of ₹ 8 per Equity Share) not exceeding ₹ 1157.76 Lakhs* on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 58 Equity Share for every 100 fully paid-up Equity Shares held by the Eligible Equity Shareholders on the Record date that is on August 01, 2023. *Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares On Application, Investors will have to pay ₹ 7 per Rights Equity Share which constitutes 38.89% of the Issue Price and the balance ₹ 11 per Rights Equity Share which constitutes 61.11% of the Issue Price, will have to be paid, on one or more additional calls as may be decided by the Board/ Committee of the Board from time to time
Issue Closing Date	Thursday, August 24, 2023
Issue Opening Date	Monday, August 14, 2023
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their Applications, in accordance with the SEBI ICDR Regulations
Issue Price	₹18/- per Rights Equity Share including a security premium of ₹8/- per Equity Share payable as follows: - On Application: ₹ 7 per share (including a premium of ₹ 4 per Equity Share) - One or more subsequent Call(s) as determined by our Board at its sole discretion, from time to time: ₹ 11 per share (including a premium of ₹ 4 per Equity Share)
Issue Proceeds or Gross Proceeds	Gross proceeds of the Issue
Issue Size	Amount aggregating up to ₹ 1157.76* Lakhs *Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares
Letter of Offer or LOF	The final letter of offer to be filed with the Stock Exchanges and SEBI
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations
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 Entitlement will not be treated as multiple application
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, see <i>“Objects of the Issue”</i> beginning on page 46.
NRI(s)	An individual resident outside India who is a citizen of India or is an ‘Overseas Citizen of India’ cardholder within the meaning of section 7(A) of the Citizenship Act, 1955, and shall have the meaning ascribed to such term in the FEMA Regulations
NSE or NSE Limited	National Stock Exchange of India Limited
NSE Emerge or Emerge	EMERGE Platform of the National Stock Exchange of India Limited

Non –Institutional Investor(s)	An Investor other than a Retail Individual Investor and a Qualified Institutional Buyer
Off Market Renunciation	The renunciation 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 and the circulars issued by the Depositories, from time to time, and other applicable laws
On Market Renunciation	The renunciation 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 and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before Friday, August 18, 2023.
Qualified Institutional Buyers or QIBs	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 Eligible Equity Shareholders eligible to apply for Equity Shares, being Tuesday, August 01, 2023.
Refund Account Bank	The Banker to the Issue with whom the refund account will be opened, in this case being Axis Bank Limited.
Registrar to the Issue or Registrar	Kfin Technologies Limited.
Registrar Agreement	Agreement dated June 1, 2023 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Renouncee(s)	Any person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders
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 Friday, August 18, 2023 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
Rights Entitlement(s) / RE's	Number of Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being 58 Partly paid-up Rights Equity Shares for every 100 Equity Shares held by an Eligible Equity Shareholder
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
SCSB(s)	Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at website of SEBI and / or such other website(s) as may be prescribed by SEBI from time to time.
Stock Exchange	Stock exchange where the Equity Shares are presently listed, being NSE Limited
Transfer Date	The date on which 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	Company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013)

	or consortium thereof, in accordance with the guidelines on wilful defaulters issued by RBI
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai 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 are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Rights 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.

INDUSTRY RELATED TERMS

Term	Description
HTS panel	Hybrid Thermal Solar Panel
EPI	Engineering, Procuring and Installation
GWP	Global Warming Potential- The Global Warming Potential (GWP) was developed to allow comparisons of the global warming impacts of different gases.
ODP	Ozone Depleting Potential- Ozone depleting potential is a measure of how much damage a chemical can cause to the ozone layer compared with a similar mass of trichlorofluoromethane (CFC-11)
HFCs	Hydrofluorocarbons-Hydrofluorocarbons (HFCs) are a group of industrial chemicals primarily used for cooling and refrigeration
VRF	Variable Refrigerant Flow- also known as variable refrigerant volume (VRV), is an HVAC technology invented by Daikin Industries, Ltd. in 1982
DX	Packaged Direct Expansion
MMT	Million Metric Tonne means a million metric ton and is 1,000,000,000 kg. mt means metric ton and equals 1000kg
PCM	phase change materials are substances which absorb or release large amounts of so-called 'latent' heat when they go through a change in their physical state, i.e. from solid to liquid and vice versa.
ACs	Air conditioners
CEA	Central Electricity Authority
MNRE	Ministry of New and Renewable Energy
DPIIT	Department for Promotion of Industry and Internal Trade
IREDA	Indian Renewable Energy Development Agency
MSDCL	Maharashtra State Electricity Distribution Company Limited
GFC	Good For Construction
PMC	Project Management Consultants
NISE	National Institute of Solar Energy
BU	Billion Units
GW	Gigawatt
SECI	Solar Energy Corporation of India

ABBREVIATIONS

Term	Description
₹, Rs., Rupees or INR	Indian Rupees
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
CAGR	Compound annual growth rate

CDSL	Central Depository Services (India) Limited
CIN	Corporate identification number
Companies Act, 1956	erstwhile Companies Act, 1956 along with the rules made thereunder
Companies Act, 2013	Companies Act, 2013 along with the rules made thereunder
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
CRAR	Capital adequacy ratio/Capital to risk assets ratio
CrPC	Code of Criminal Procedure, 1973
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996
Depository Participant / DP	A depository participant as defined under the Depositories Act
DP ID	Depository participant's identification
DIN	Director Identification Number
EBITDA	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation and amortisation expense, as presented in the statement of profit and loss
EGM	Extraordinary general meeting
EPS	Earnings per Equity Share
FCNR Account	Foreign currency non-resident account
FDI Circular 2020	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
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year, Fiscal Year or Fiscal	Period of 12 months ended March 31 of that particular year, unless otherwise stated
FIR	First information report
FPIs	Foreign portfolio investors 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 as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI
GAAP	Generally accepted accounting principles
GDP	Gross domestic product
GoI or Government	Government of India
GST	Goods and Service Tax
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code, 2016
ICAI	Institute of Chartered Accountants of India
Income Tax Act	Income-tax Act, 1961
Ind AS	Indian accounting standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended
IFRS	International Financial Reporting Standards

Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
ITAT	Income Tax Appellate Tribunal
LTV	Loan to value ratio
MCA	Ministry of Corporate Affairs
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of (Mutual Funds) Regulations, 1996
Net Asset Value per Equity Share or NAV per Equity Share	Net Worth/ Number of Equity shares subscribed and fully paid outstanding as at March 31
Net Worth	Aggregate of Equity Share capital and other equity
NBFC	Non-banking financial companies
NRE Account	Non-resident external account
NRI	A person resident outside India, 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
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
OCB or 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 had taken benefits under the general permission granted to OCBs under FEMA
PAN	Permanent account number
PAT	Profit after tax
QP	Qualified purchaser as defined in the U.S. Investment Company Act
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
RoC	Registrar of Companies, Chennai
RTGS	Real time gross settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
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 Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Rights Issue Circulars / SEBI Right Issue Circulars / SEBI Rights Issue Circular	SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020 and SEBI circular, bearing reference no. SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

Stock Exchanges	National Stock Exchange of India Limited
STT	Securities transaction tax
Supreme Court	Supreme Court of India
TAT	Turnaround time
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.S.\$, USD or U.S. dollar	United States Dollar, the legal currency of the United States of America
U.S. Investment Company Act	Investment Company Act of 1940, as amended
U.S. Person	U.S. persons as defined in Regulation S under the U.S. Securities Act or acting for the account or benefit of U.S. persons (not relying on Rule 902(k)(1)(viii)(B) or Rule 902(k)(2)(i) of Regulation S)
U.S. QIB	Qualified institutional buyer as defined in Rule 144A under the U.S. Securities Act
USA, U.S. or United States	United States of America
U.S. SEC	U.S. Securities and Exchange Commission
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be

NOTICE TO OVERSEAS INVESTOR

The distribution of the Draft Letter of Offer, this Letter of Offer, Abridged Letter of Offer and the application form and the issue of the Rights Entitlement and the Rights Equity Shares to persons in certain jurisdictions outside India are restricted by legal requirements prevailing in those jurisdictions.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and 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, this 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.

Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of our Company, the Registrar and the Stock Exchange.

Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

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 Letter of Offer is being filed with SEBI and the Stock Exchanges. *Accordingly*, the Rights Entitlement and the Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any offering materials or advertisements in connection with the Issue may not be distributed, whole or in part, in or into 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, 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 subscription to Equity Shares 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 or the Application Form or the Rights Entitlement Letter 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 to any filing or registration requirement (other than in India). If the Draft Letter of Offer, 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 subscribe to the Equity Shares or the Rights Entitlements referred to in the Draft Letter of Offer, 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 and the Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that he is authorized to acquire the rights and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar or any other person acting on behalf of our Company reserves the right to treat any Application form as invalid where they believe that Application form is incomplete or acceptance of such Application form 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. Neither the delivery of the Draft Letter of Offer, the Letter of Offer 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 the date of such information or that the information contained herein is correct as at any time subsequent to the date of the Draft Letter of Offer, Letter of Offer or the date of such information.

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 or dispatched from the United States (unless the

Application Form is submitted by a U.S. QIB in the United States who is also a QP) 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; 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 Equity Shares in respect of any such Application Form.

Neither the receipt of the Draft Letter of Offer, Letter of Offer nor any sale of Equity Shares 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 the Letter of Offer or the date of such information.

THE CONTENTS OF THE DRAFT LETTER OF OFFER, LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX, BUSINESS, FINANCIAL 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 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 THE EQUITY SHARES OR RIGHTS ENTITLEMENTS. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHTS ENTITLEMENTS OR THE 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 of America or the territories or possessions thereof (the "United States" or "U.S."), except in a transaction exempt from the registration requirements of the securities act. The rights entitlements and the rights equity shares referred to in the Draft Letter of Offer, the Letter of Offer are being offered in India, but not in the United States. The offering to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any rights equity shares or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities. Accordingly, this Letter of Offer should not be forwarded to or transmitted in or into the United States at anytime. Neither our Company, nor any person acting on behalf of our Company, will accept a subscription 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, in the United States of America. Envelopes containing an application form should not be postmarked in the United States of America or otherwise dispatched from the United States of America or any other jurisdiction where it would be illegal to make an offer under this Letter of Offer, no payments for subscribing for the Rights Equity Shares shall be made from US bank accounts and all persons subscribing for the Rights Equity Shares and wishing to hold such Equity Shares in registered form must provide an address for registration of the Equity Shares in India. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and Application form only to Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires Rights Entitlements or the Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, the Letter of Offer, that (i) 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 of America (ii) does not have a registered address (and is not otherwise located) in the United States when the buy order is made and (iii) it is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable law, rules 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 or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the CAF does not have a registered address (and is not otherwise located) in the United States of America, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; or (iii) where our Company believes that the CAF is incomplete or the acceptance of such CAF may

infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such CAF. Rights Entitlement may not be transferred or sold to any person in the United States of America.

NOTICE TO THE INVESTOR

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

FORWARD-LOOKING STATEMENTS

This Letter of Offer contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “propose”, “project”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

All statements contained in this Letter of Offer that are not statements of historical facts constitute “*forward-looking statements*”. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in this Letter of Offer regarding matters that are not historical facts. These forward-looking statements and any other projections contained in this Letter of Offer (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- Impact of epidemics and pandemics with respect to recent example of COVID-19 on our business and operations;
- General economic and business conditions in the markets in which we operate and in the local, Regional, National and International economies;
- Competition from existing and new entities may adversely affect our revenues and profitability;
- Political instability or changes in the Government(s) could adversely affect economic conditions in India and consequently our business may get affected to some extent.
- Our business and financial performance is particularly based on market demand and supply of our products;
- The performance of our business may be adversely affected by changes in, or regulatory policies of, the Indian National, State and Local Governments;
- Any downgrading of India’s debt rating by a domestic or international rating agency could have a negative impact on our business and investment returns;
- Changes in Government Policies and political situation in India may have an adverse impact on the business and operations of our Company;
- The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under “**Risk Factors**” and “**Our Business**” beginning on pages 22 and 71, respectively.

By their 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 on our revenue could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. The forward-looking statements contained in this Letter of Offer are based on the beliefs of management, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it 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 Letter of Offer or the respective dates indicated in this Letter of Offer and our Company does not undertake any obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward-looking

statements 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.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

CERTAIN CONVENTIONS

In this Letter of Offer, unless the context otherwise indicates or implies, references to 'Perfect Infraengineers Limited', the 'Company', 'our Company', the 'Issuer' are to Perfect Infraengineers Limited, and references to 'we', 'our' or 'us' are to Perfect Infraengineers Limited on a consolidated basis.

In this Letter of Offer, references to the 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to "India" are to the Republic of India and its territories and possessions and all reference herein to the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Our Company has presented certain numerical information in this Letter of Offer in "crore", "million" and "lakh" units. One crore represents 1,00,00,000. One lakh represents 1,00,000. One million is 10 Lakhs.

Unless stated otherwise, all references to page numbers in this Letter of Offer are to page numbers of this Letter of Offer.

FINANCIAL DATA

Unless stated otherwise and unless context requires otherwise, the financial data in this Letter of Offer is derived from the Financial Statements. We have prepared our Financial Statements in accordance with Indian GAAP prescribed under the Section 133 of the Companies Act 2013. Our Company publishes its financial statements in Rupees. For details, see "**Financial Information**" on page 89.

Our Fiscal commences on April 1 of the immediately preceding calendar year and ends on March 31 of the following calendar year. Accordingly, all references to a particular Financial Year or Fiscal or FY, unless stated otherwise, are to the 12 months period ending on March 31 of that particular calendar year.

There are significant differences between Ind AS and IFRS. Our Company does not provide reconciliation of its financial information to IFRS. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Letter of Offer and it is urged that you should consult your own advisors regarding such differences and their impact on our Company's financial data. Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

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.

MARKET AND INDUSTRY DATA

Aside from the above, unless stated otherwise, market, industry and demographic data used in this Letter of Offer has been obtained from market research, publicly available information, industry publications and government sources. Industry publications generally state that the information contained in such publication has been obtained from sources believed to be reliable but that the accuracy and completeness of that information are not guaranteed. Similarly, internal surveys, industry forecasts, market research and industry and market data used in this Letter of Offer, while believed to be reliable, have not been independently verified by us, and our Company, nor its affiliates make any representation as to the accuracy of that information.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "**Risk Factors**" on page 21 of this Letter of Offer. There can be no assurance that such third party statistical, financial and other industry information is either complete or accurate. Accordingly, Investors should not place undue reliance on this information.

Non-GAAP measures

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like Net Worth, return on Net Worth, Net Asset Value per Equity Share, ratio of non-current liabilities-borrowings (including current maturities of long-term borrowings) / total equity, ratio of Total Borrowings / total equity and earnings before interest, tax, depreciation and amortization have been included in this Letter of Offer. We compute and disclose such non-GAAP financial measures and such other statistical

information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

Currency of Presentation

Unless otherwise specified or the context otherwise requires, all references to:

- 'INR', '₹', 'Indian Rupees' and 'Rupees' are to the legal currency of India; and
- 'US\$', 'USD', '\$' and 'U.S. Dollars' are to the legal currency of the United States of America.

The following table provides information with respect to the exchange rate for the Indian rupee per US\$1.00. The exchange rates are based on the reference rates released by Foreign Benchmark India Private Limited which is available on their website. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

Currency#	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
1 US \$	82.79	75.81	73.50

Source: www.fbil.org.in

Note: In the event that any of the abovementioned dates of any of the respective financial years is a public holiday, the previous calendar day not being a public holiday has been considered.

SUMMARY OF LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Letter of Offer, including the sections, “*Risk Factors*”, “*Our Industry*”, “*Our Business*”, “*Objects of the Issue*”, “*Outstanding Litigation and Defaults*”, and “*Financial Information*” on page 22, 62, 71, 46, 124 and 89 respectively.

SUMMARY OF BUSINESS

Our Company started to manufacture and sell in India the hybrid thermal solar (“HTS”) panels and related proprietary products since 2017. We believe that we have successfully introduced the HTS technology in India and have since sold 350 units representing 4000 tonnages in the domestic and export market among 60 diversified sectoral customers. Our key domestic customers include government and semi-government organisations, public sector undertakings, local municipalities, private and public companies.

OVERVIEW OF THE INDUSTRY IN INDIA

Cooling is a cross-sectoral requirement and an essential element for economic growth. The use of cooling in different sectors of the economy are such as residential and commercial buildings, cold-chain, refrigeration, transport and industries. The cooling demand in these and other sectors will grow in the future due to the expected economic growth of the country, increasing per capita income, population growth, urbanisation as well as low penetration of air conditioning.

Renewable energy

India has low conventional energy resources compared to its required energy needs. India is the only country among the G20 countries who is on track to achieve its targets under the Paris Agreement

PROMOTERS

Promoters of our Company are Mr. Nimesh Natvarlal Mehta and Mrs. Manisha Nimesh Mehta.

OBJECTS OF THE ISSUE

The Net Proceeds are proposed to be used in accordance with the details set forth below:

Particulars	Amount to be funded from Net Proceeds
Part repayment or prepayment of unsecured loans availed from the Promoters and from the member of the Promoter Group	143.76
Meeting incremental working capital requirements	Up to 769.00
General corporate purposes*	200.00

**The amount is subject to adjustment upon finalization of Issue related expenses, however, in no event, shall general corporate purposes exceed 25% of the Gross Proceeds. Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio*

For further details, see “*Objects of the Issue*” beginning on page 46.

INTENTION AND EXTENT OF PARTICIPATION BY OUR PROMOTER

Our Promoters and members of the Promoter Group, vide their letter dated May 17, 2023, have confirmed and undertake that they, jointly and/or severally, intend to subscribe in the Issue, to the full extent of their Rights Entitlements and have also confirmed 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). Further, our Promoters and Promoter Group reserve the right to apply for, and subscribe to, any additional Rights Equity Shares over and above their Rights Entitlements.

The acquisition of Rights Equity Shares by our Promoters and members of the Promoter Group, over and above their Rights Entitlements shall not result in a change of control of the management of our Company and shall be in compliance with SEBI SAST 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.

SUMMARY OF RESTATED FINANCIAL STATEMENTS

Following are the details as per Restated Financial Information as at and for the Financial Years ended on March 31, 2023, March 31, 2022 and March 31, 2021:

Particulars	March 31, 2023 (Restated)	March 31, 2022 (Restated)	March 31, 2021 (Restated)
Revenue from Operations	720.40	429.93	129.59
EBITDA	149.22	-30.37	105.54
Profit after tax	59.87	-188.87	-16.78
Share Capital	1106.38	1106.38	1106.38
Reserves and Surplus	1028.48	968.62	1157.48
Net Worth	2134.86	2075.00	2263.86
Basic & Diluted Earnings pershare	0.54	-1.71	-0.17
Net Asset Value per Equity Share (On actual No. of Shares)	3.14	3.03	3.25
Return on Net Worth (%)	2.80%	-9.10%	-0.74%
Total Borrowings	1134.42	945.61	1062.58

SUMMARY OF OUTSTANDING LITIGATION AND DEFAULTS

A summary of material outstanding legal proceedings involving our Company, Promoters & Directors identified in accordance with the SEBI ICDR Regulations as on the date of this Letter of Offer, including the aggregate approximate amount involved to the extent ascertainable, is provided below.

Name of the Cases	Number of cases	Total amount involved (₹ in Lakhs)*
Against our Company		
Tax	9	403
Civil	2	Not Quantifiable
Criminal	4	450
Statutory or Regulatory Proceedings	Nil	Nil
By our Company		
Tax	Nil	Nil
Civil	10	Not Quantifiable
Criminal	Nil	Nil
Against our Directors (Directors excluding Promoters)		
Tax	Nil	Nil
Civil	Nil	Nil
Criminal	Nil	Nil
Action taken by Statutory or Regulatory Proceedings	Nil	Nil
By our Directors (Directors excluding Promoters)		
Tax	Nil	Nil
Civil	Nil	Nil
Criminal	Nil	Nil
Against our Promoters		
Tax	10	5
Civil	1	Not Quantifiable

Name of the Cases	Number of cases	Total amount involved (₹ in Lakhs)*
Criminal	3	450
Statutory or Regulatory Proceedings	Nil	Nil
By our Promoters		
Tax	Nil	Nil
Civil	6	Not Quantifiable
Criminal	1	Not Quantifiable

For details, please see to section titled "**Outstanding Litigations and Defaults**" on page 124 of this Letter of Offer.

RISK FACTORS

Specific attention of the Investors is invited to the section "**Risk Factors**" on page 21 of this Letter of Offer. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue.

CONTINGENT LIABILITIES OF OUR COMPANY

For details of the contingent liabilities for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021, see "**Restated Financial Statements**" on page 89.

RELATED PARTY TRANSACTIONS

For details of the Related Party Transactions as per Accounting Standards entered into by our Company for the financial year ended March 31, 2023, March 31, 2022, and March 31, 2021, see "**Restated Financial Statements**" on page 89 of this Letter of Offer.

ISSUE 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 Letter of Offer.

ANY SPLIT/CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR.

Our Company has not split or consolidate Equity Shares in the last one year as on the Letter of Offer.

SECTION II – RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Letter of Offer, including in “Our Business”, “Industry Overview”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Selected Statistical Information” and “Financial Statements” before making an investment in our Equity Shares.

This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Letter of Offer.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context otherwise requires, in this section, reference to “we”, “us” “our” refers to our Company together with our Subsidiaries, on a consolidated basis. For updates in relation to financial and operational performance as of and for the period ended December 31, 2022, see “Management Discussion and Analysis Condition and Results of Operation” beginning on page 116.

INTERNAL RISK FACTORS:

1. Our Company, some of our Directors and our Promoters are involved in legal and other proceedings.

As on the date of this Letter of Offer, our Company, our Promoters and Directors, are involved in certain proceedings pending before various courts, tribunals and authorities in India. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable. We cannot provide any assurance that these legal proceedings will be decided in our favor. Any adverse decision may have a significant effect on our business including the financial condition of our Company. We cannot assure you that the results of such legal proceedings will not materially harm our business, reputation or standing in the marketplace or that we will be able to recover any losses incurred on account of third parties, regardless of whether we are at fault.

A summary of outstanding litigation proceedings involving our Company, our Directors and our Promoters as on the date of this Letter of Offer is set out below:

Name of the Cases	Number of cases	Total amount involved (₹ in Lakhs)*
Against our Company		
Tax	9	403
Civil	2	Not Quantifiable
Criminal	4	450
Statutory or Regulatory Proceedings	Nil	Nil
By our Company		
Tax	Nil	Nil
Civil	10	Not Quantifiable
Criminal	Nil	Nil
Against our Directors (Directors excluding Promoters)		
Tax	Nil	Nil
Civil	Nil	Nil
Criminal	Nil	Nil
Action taken by Statutory or Regulatory Proceedings	Nil	Nil
By our Directors (Directors excluding Promoters)		
Tax	Nil	Nil

Name of the Cases	Number of cases	Total amount involved (₹ in Lakhs)*
Civil	Nil	Nil
Criminal	Nil	Nil
Against our Promoters		
Tax	10	5
Civil	1	Not Quantifiable
Criminal	3	450
Statutory or Regulatory Proceedings	Nil	Nil
By our Promoters		
Tax	Nil	Nil
Civil	6	Not Quantifiable
Criminal	1	Not Quantifiable

**To the extent quantifiable*

For details, please see to section titled "**Outstanding Litigations and Defaults**" on page 124 of this Letter of Offer.

2. ***We are required to obtain and maintain certain governmental and regulatory licenses and permits and the failure to obtain and maintain such licenses and permits in a timely manner, or at all, may adversely affect our business and operations.***

We are required to obtain and maintain certain approvals, licenses, registrations and permits in connection with our business and operations. There can be no assurance that we will be able to obtain and maintain such approvals, licenses, registrations and permits in the future. An inability to obtain or maintain such registrations and licenses in a timely manner, or at all, and comply with the prescribed conditions in connection therewith may adversely affect our ability to carry on our business and operations, and consequently our results of operations and financial condition. Any failure by our Company to renew, maintain or obtain such material permits or approvals or comply with conditions thereof may lead to imposition of penalties, or result in the interruption of our operations, suspension and revocation or permits and licenses, which may and may have a material adverse effect on our business and operations, financial condition and results of operations.

3. ***We have experienced losses in past, and we may not achieve profitability in the future. In addition, our statutory auditors have provided repetitive qualification in the Audit Report.***

We announced loss of ₹(188.86) Lakhs in Fiscal 2022, ₹(16.77) Lakhs in Fiscal 2021 which was largely due to change from contracting to manufacturing of Hybrid Solar Thermal Panels and depreciations. However, our Company has made profit of Rs. 140.01 lakhs in Fiscal 2023. Any failure to increase our revenue from operation at sufficient levels to match our expenses could adversely affect our profitability or our ability to maintain positive cash flow on a consistent basis. If we are unable to successfully address these risks and challenges as we encounter them, our business, cash flows, financial condition and results of operations could be adversely affected. If we are unable to generate adequate revenue growth and manage our expenses and cash flows, we may continue to incur significant losses in the future. In the event we continue to incur losses, our results of operations and financial conditions will continue to be materially and adversely affected. Further, our failure to generate profits may adversely affect the market price of our Equity Shares, restrict our ability to pay dividends and impair our ability to raise capital and expand our business. For further details, see "**Restated Financial Statements**" on page 89 of this Letter of Offer.

Further, Our Statutory Auditors in their audit report on our restated financial statements for Fiscal 2023, 2022 and 2021 have included a qualification in relation to (i) non-compliance with the Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets"; (ii) Non-classification of current liabilities; (iii) non/slow moving current assets; (iv) non-adherence to segment wise reporting. For details relating to Auditors qualification and management responses to the same, see "**Restated Financial Statements**" on page 89 of this Letter of Offer. There can be no assurance that any similar qualification or remarks will not form part of our financial statements for the future fiscal periods, or that such remarks will not affect our

financial results in future fiscal periods. Investors should consider the remarks and observations in evaluating our financial condition, results of operations and cash flows. Any such remarks or qualification in the auditors' report on our financial statements in the future may also adversely affect the trading price of the Equity Shares.

4. We have reported negative cash flows.

Our Company has experienced negative net cash flow in operating and financing activities in the past, the details of which are set out below:

(₹ In Lakhs)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Net Cash Flows from Operating Activities	(217.79)	76.49	111.79
Net Cash Flows from Investing Activities	(2.33)	129.74	381.66
Net Cash Flows from Financing Activities	115.96	(95.60)	(473.29)
Net Increase/(Decrease) in cash and cash equivalents	(104.16)	110.64	20.16

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If our Company is not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

5. We have, in the past, defaulted repayment of certain debt and interest upon such debt facilities which resulted the bank accounts of the Company being declared as non-performing assets.

We had entered into loan agreements, with various lenders for availing financing facilities. There have been, in the past, alleged breaches of covenants under the loan agreements including breaches of repayments schedules and certain other requirements under such financing agreements, which have resulted the accounts of the Company maintained with ICICI Bank being declared as non-performing assets and the lenders have moved against the Company. However, our Company contends that the classification of our Account as non-performing assets and attachment of Company's property was not in accordance with law. The matter is presently lying before the Hon'ble Bombay High Court and other legal forums. For details, please see to section titled "**Outstanding Litigations and Defaults**" on page 124 of this Letter of Offer.

In case the Hon'ble Court denies our contentions and legal actions including but not limited to proceedings such as insolvency and bankruptcy or winding up of our Company or action under SARFAESI are initiated against by the lenders against our Company, it may cast a shadow of uncertainty on the existence of our Company as a going concern.

6. The impact of the COVID-19 pandemic on our business and operations is uncertain and cannot be predicted.

The COVID-19 pandemic has had, and may continue to have, a material adverse impact on our business and results of operations. In March 2020, the World Health Organization designated COVID-19 as a pandemic, and numerous countries, including India and the United States (the countries where our Company has its manufacturing facilities), declared national emergencies in response to the COVID-19 pandemic. The global impact of the COVID-19 pandemic continues, with many countries, including the countries where we have our business operations, instituting quarantines and restrictions on travel, operations with reduced workforce, closing financial markets and/or restricting trading, and limiting the operations of non-essential businesses.

In response to the COVID-19 pandemic, the Government of India ("GoI") imposed a nationwide 21-day lockdown on March 24, 2020 from March 25, 2020 until April 14, 2020, which was subsequently extended until May 31, 2020. Further, from March 2021, there has been a substantial increase in the number of COVID-19 cases in India, which led to additional lockdowns and movement restrictions in different places in India. Further, as a result of the detection of new strains, evolving variants such as the 'Omicron variant' and subsequent waves of COVID19 infections throughout the world, we may be subject to further

lockdowns or other restrictions in the subsequent years, which may adversely affect our business operations.

Our operations had slowed down during 2020 and 2021. We have almost resumed to full normalcy with requisite precautions in 2022. Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business, results of operations and financial condition.

7. *Our business depends on the contracts of services which we have received from various Government Authorities and corporate customers, if we have not received contracts which may have adverse impact on company sale.*

Our key domestic customers include government and semi-government organisations, public sector undertakings, local municipalities, private and public companies. As of March 31, 2023 we had an Order Book (which includes our products made part of the tender specification which is awarded to EPC contractors / letters of intent/ purchase orders) of ₹ 1500 lakhs, of which ₹ 250 lakhs comprise projects/ operations which are already under execution and ₹ 1250 lakhs comprise projects which are yet to be executed. In case if we do not receive contracts from our key customers in future, it will impact our Company's sale as well as company's total revenue. Since our business is depend upon the contract received from government authorities and corporate customers, the sales in past year is fluctuating due of uncertainty in receipt of contracts of services from our clients. The uncertainty in receipt of contracts and other factor if occurs in future may affect our company's total growth and revenue.

Any adverse developments concerning our Government clients, including as a result of any change in the policies adopted by the Government regarding award of its projects or our existing relationship with the Government could adversely affect our business. Further, payments from the central, state and local Governmental agencies in India may be subject to several delays due to regulatory scrutiny and long procedural formalities. Adverse changes in Government policies may also lead to our contracts being restructured or renegotiated, resulting in, amongst others, change in the scope of our work under such contracts.

Further, any decline in our quality standards, growing competition and any change in the demand, may adversely affect our ability to retain our key customers. We cannot assure that we may continue to generate the same quantum of business, or any business at all from such customers, and the loss of business from one or more of such customers may adversely affect our revenues and results of operations. However, the composition and revenue generated from these customers might change as we continue to add new customers in the normal course of our business. Though we believe that we will not face substantial challenges in maintaining our business relationship with them or finding new customers, there can be no assurance that we will be able to maintain long term relationships with such customers or find new customers in time.

8. *We have recently ventured in engineering, procurement and installation contractor, providing turnkey jobs of Heating Ventilation and Air Conditioning and also manufacturing of electrical panels and our new initiatives may not perform as anticipated or commence on time or at all or may be discontinued*

We have recently ventured as EPI contractor, providing turnkey jobs of Heating Ventilation and Air Conditioning (HVAC) and also manufacturing of electrical panels. Entering into new initiatives requires strategic planning and efficient use of resources. Due to our limited experience in such line of business, we may face unanticipated hurdles with respect to such new initiatives. We may lack sufficient expertise and experience in these initiatives and this may impose additional strain on our resources and consume additional time and attention of our senior management. We may not be able to sustain our anticipated growth in light of competitive pressure or other factors, such as not being able to implement business strategies and development plans effectively and efficiently. Sustained growth may place significant demands on our administrative, operational and financial resources, which we may be unable to handle. Any slowdown in our growth, whether in absolute terms or relative to industry trends could adversely affect our market position and a loss of our market position could adversely affect our ability to sustain our growth.

9. *We have entered into a technical collaboration arrangement with Suntrac Solar Manufacturing LLC. Inability to continue the collaboration arrangement would adversely impact our revenues and profitability.*

We have entered into a technical collaboration arrangement with Suntrac Solar Manufacturing LLC to manufacture and sell in India the hybrid thermal solar (“HTS”) panels and related proprietary products. Inability to continue the collaboration arrangement would adversely impact our revenues and profitability. Our arrangement with Suntrac Solar Manufacturing LLC is on exclusive basis whereby our Company is the exclusive manufacturer of SunTrac systems in India is only manufacturing unit of SunTrac outside of the USA. Under the arrangement, Our Company is positioned to fulfill SunTrac’s global order flow, including the Middle East/North Africa regions, Australia and Asia.

The collaboration arrangement typically contain provisions which require us to indemnify the counterparty for claims arising from our negligence or fault. Our arrangements may expire and we may not be able to renew such contracts at terms acceptable to us. If the arrangements cease to be available to us on terms acceptable to us or we experience problems with, or interruptions in compliance of the terms of such arrangement, our operations may be disrupted and our results of operations and financial condition may be adversely affected.

10. *Our Company is dependent on certain suppliers for purchase of product. Loss of any of these large suppliers may affect our business operations.*

Our major material requirement consists of high value items and low value items. The primary raw materials essential to manufacture our product are aluminium components, like reflectors, etc., copper frames, electrical components, Teflon parts, controllers, electronic components, motors, etc which are available we procure from various domestic and international vendors/suppliers. Our Company is largely dependent on certain suppliers, as the top ten suppliers of our Company constitute around 94.65 %, 92.09 % and 79.06 % of the total purchases for the Fiscal 2023, Fiscal 2022 and Fiscal 2021 respectively. We cannot assure that we will be able to procure the same quantum and quality of supplies, or any supplies at all, and the loss of supplies from one or more of them may adversely affect our purchases of stock and ultimately our revenue and results of operations. However, the composition and amount of purchase from these suppliers might change as we continue seek new suppliers for our product for better quality and price in the normal course of business. Though we believe that we will not face substantial challenges in maintaining our business relationship with them or finding new suppliers, there can be no assurance that we will be able to maintain long term relationships with such suppliers or find new suppliers in time.

11. *Under-utilization of our manufacturing capacities may have an adverse effect on our business, future prospectus and future financial performance.*

We have recently ventured in manufacturing of electrical panels and therefore as on date our manufacturing capacity is under-utilized, for further details please see section “**Capacity and Capacity Utilization – Our Business**” on page 71 of this Letter of Offer. Our capacity utilization is affected by the availability of raw materials, industry and market conditions as well as by the product requirements of, and the procurement practice followed by, our customers. In the event that we are unable to achieve full capacity utilization or increase the capacity utilization of our current manufacturing facilities, this would result in operational inefficiencies which may have an adverse effect on our business, financial condition, cash flows, future prospects and future financial performance. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, could adversely impact our business, growth prospects and future financial performance.

12. *We maintain a workforce based upon current and anticipated workloads. If we do not receive future contract awards or if these awards are delayed, additional employee cost may be incurred.*

Our estimates of future performance depend on, among other matters, whether and when we will receive certain new contract awards, including the extent to which we utilize our workforce. The rate at which we utilize our workforce is impacted by a variety of factors including our ability to manage attrition, our ability to forecast our need for services which allows us to maintain an appropriately sized workforce and our need to devote resources to non-chargeable activities such as training or business development. While our estimates are based upon our good faith judgment, these estimates can be unreliable and may frequently change based on newly available information. Failure on our part to efficiently use our resources could have adverse impact on our business, financial conditions, and results of operations.

13. *Our Company engages third party forging and casting manufacturers which may expose us compromised quality and durability of our products.*

Our Company engages third-party forging and casting manufacturer for supply of aluminium and copper components as per our specifications. We provide such third-party manufacturers with dies and moulds which is used for manufacturing our specific components. However, the engagement of such third party may expose us to compromised quality and durability of such products leading to rejection of our products and resulting in financial losses and loss of customers. We may not be able to deliver the requisite quality of products to our customers which in turn would affect the credibility, profitability and cash flows of our Company.

Further any disruption in the services of such third parties due to strikes, lock-outs, delivery management systems, inadequacies, delay of service due occurrence of accidents or other unforeseen events could impair ability to deliver our products to our customers on time. Any such disruptions could materially and adversely affect our Company's reputation, business and results of operations.

14. ***Obsolescence, destruction, theft, breakdowns of our manufacturing facility or machineries or failures to repair or maintain the same may affect our business, cash flows, financial condition and results of operations.***

Obsolescence, destruction, theft or breakdowns of our major plants or machineries may increase our machineries purchase cost and the depreciation of our plants and machineries, as well as change the way our management estimates the useful life of our plants and machineries. In such cases, we may not be able to acquire new plants or machineries or repair the damaged plants or machineries in time or at all, particularly where our plants or machineries are not readily available from the market or require services from original machinery manufacturers. Some of our major machineries or parts may be costly to replace or repair. We may experience significant price increases due to supply shortages, inflation, transportation difficulties or unavailability.

15. ***Our success depends upon our senior management team and skilled personnel and our ability to attract and retain such persons. Any failure to attract and retain such personnel could have an adverse impact on our business, financial conditions and result of operations.***

We are highly dependent on our Promoter Directors, our senior management, and our other key managerial personnel for our business. Attracting and retaining talented professionals is key to our business growth. Our business model is reliant on the efforts and initiatives of our Promoter Director and our key managerial personnel. If one or more members of our senior management team were to leave their present positions, it may be difficult to find adequate replacements and our business could be adversely affected. In this regard, we cannot assure you that we will be able to retain our skilled senior management or managerial personnel or continue to attract new talents in the future. Failure to effectively manage labour or failure to ensure availability of sufficient labour could also affect the business operations of the Company.

16. ***Any disruption in our Manufacturing Facility could hamper or delay our ability to continue production and servicing.***

We manufacture our products from our Manufacturing Facility. Any disruption in the operations due to supply of power, fire outages, industrial accidents or any disruption at our manufacturing facility could hamper or delay our ability to continue production. Any disruption or suspension in the production process in this facility can significantly impact our ability to service customer needs and relation with our customers and have a material adverse effect on our business, revenues, reputation, results of operation and financial condition.

17. ***The contracts in our order book may be adjusted, cancelled or suspended by our clients and, therefore, our order book is not necessarily indicative of our future revenues or earnings.***

As of March 31, 2023, we had an Order Book (which includes our products made part of the tender specification which is awarded to EPC contractors / letters of intent/ purchase orders) of ₹ 1500 lakhs, of which ₹ 250 lakhs comprise projects/ operations which are already under execution and ₹ 1250 lakhs comprise projects which are yet to be executed. There can be no assurance that our order book will actually be realized as revenues or, if realized, will result in profits. In accordance with industry practice, most of our contracts are subject to cancellation, termination or suspension at the discretion of the client at any stage of the contract. Our order book includes expected revenues for contracts that are based on estimates. The risk of contracts in order book being cancelled or suspended generally increases during periods of wide-spread economic slowdowns. Any delay, cancellation or payment default could adversely affect our cash flow position, revenues and/or profitability.

We may also encounter problems in executing the orders in relation to our products, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers, including delays or failure to obtain necessary permits, authorizations, permissions and other types of difficulties or obstructions, may result in the postponement of the delivery of products or cause its cancellation. Accordingly, it is difficult to predict with certainty if, when, and to what extent we may be able to deliver the orders placed. Failure to deliver products on time could lead to customers delaying or refusing to pay the amount, in part or full, which may adversely affect our business.

18. *The Company may not be fully insured for business losses, which the Company might incur.*

We believe that our Company maintains adequate insurance coverage to cover risk associated with the business of the Company. However, we cannot assure that insurance coverage obtained by our Company is sufficient to the plant and machinery, office premises and factory premises. Such lack of insurance coverage could have a material adverse effect on our business, financial condition, results of operations and prospects.

19. *The Company has in the past entered into related party transactions and may continue to do so in the future.*

In past, our Company has entered into transactions and there can be no assurance that such transaction were entered on arm's length basis and our Company could not have achieved more favourable terms had such transactions been entered into with third parties. Furthermore, it is likely that the Company will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on the Company's financial condition and results of operations. For further information on related party transactions, see "*Restated Financial Statements*" on page 89 of this Letter of Offer.

20. *There is no monitoring agency appointed by our Company and the deployment of funds are at the discretion of our management and our Board of Directors, though it shall be monitored by the Audit Committee.*

As per SEBI (ICDR) Regulations, 2018 appointment of monitoring agency is required only for Issue size above ₹ 10,000 Lakhs. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the Stock Exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public. Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by a public financial institution or a scheduled commercial bank and our management will have broad discretion over utilization of the Net Proceeds.

21. *We do not own any of our immovable properties that we use. Disruption of our rights as licensee/ lessee or termination of the agreements with our licensors/ lessors would adversely impact our manufacturing operations and, consequently, our business.*

As on the date of this Letter of Offer, our Manufacturing Facility and our registered office from where we operate, is on lease from third parties. For details, please see the section titled "*Our Business*" on page 71 of this Letter of Offer. There is no assurance that our Company will be able to renew the lease agreements or deeds entered into with third parties in a timely manner or at all. Further, there is no assurance that we will not face any disruption of our rights as a lessee/ licensee and that such leave and license and lease agreements will not be terminated prematurely by the licensor/lessor. Any such non-renewal or early termination or any disruption of our rights as lessee / licensee might adversely affect our business operations.

22. *If we do not continue to invest in new technologies and equipment, our technologies and equipment may become obsolete and our cost of processing may increase relative to our competitors, which may have an adverse impact on our business, results of operations and financial condition.*

We believe that going forward, our profitability and competitiveness will depend in large part on our ability to maintain low cost of operations, including our ability to process and supply sufficient quantities of our products as per the agreed specifications. If we are unable to respond or adapt to changing trends and standards in technologies and equipment, or otherwise adapt our technologies and equipment to changes in market conditions or requirements, in a timely manner and at a reasonable cost, we may not be able to

compete effectively and our business, financial condition and results of operations may be adversely affected.

23. ***We require high working capital for our smooth day to day operations of business and any discontinuance or our inability to acquire adequate working capital timely and on favorable terms may have an adverse effect on our operations, profitability and growth prospects. A significant portion of the Net Proceeds is proposed to be utilized for working capital requirements.***

We operate in a working capital intense industry therefore our business demands substantial funds towards working capital requirements. Presently, we have been availing the working capital facility amounting to Rs 429 Lacs. We propose to raise up to 769.00 lacs from the Issue to part finance our working capital requirement. However, in future if there are insufficient cash flows to meet our working capital requirement or we are unable to arrange the same from other sources or there are delays in disbursement of arranged funds, or we are unable to procure funds on favorable terms, it may result into our inability to finance our working capital needs on a timely basis which may have an adverse effect on our operations, profitability and growth prospects. The Net Proceeds of the Issue are proposed to be utilised for working capital requirements. For further details, see “*Objects of the Issue*” on page 46 of this Letter of Offer.

24. ***As the securities of our Company are listed on Stock Exchanges 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 the Emerge Platform of NSE Limited, therefore we are subject to the obligations and reporting requirements prescribed under the SEBI Listing Regulations. There have been instances in the recent past wherein, our Company has failed to comply with the requirements of the SEBI Listing Regulations in a timely manner.

For instance, our Company in past appointed Mr. Raj Shekhar Singh as Independent Director with effect from December 4, 2021, who was not allotted with DIN, however, the DIN was which was subsequently obtained on December 15, 2021 and the Registration with Independent Director Databank was completed on May 21, 2022, instances of delay in submission of financial results with the NSE, instance of delayed reporting of trading activity by designated person to the Company under SEBI (Prohibition of Insider Trading) Regulations, 2015.

Our Company endeavours to comply with all obligations/reporting requirements under various regulations framed by SEBI and/or Stock Exchanges. However, there may have been instances of non-disclosures/delayed/ erroneous disclosures and/or any other violations committed by us, and the same may result in imposition of penalties and other regulatory actions against our Company and/or persons in default by SEBI and/or Stock Exchanges. 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.

25. ***We have significant power and water requirements for continuous running of our factory. Any disruption to our operations on account of interruption in power or water supply or any irregular or significant hike in their tariffs may have an effect on our business, results of operations and financial conditions.***

We have a sanctioned load of 20 KW power from Maharashtra State Electricity Distribution Company. Limited at our factory premises at Rabale (Navi Mumbai), which is sufficient to meet our power requirements. Our manufacturing processes require uninterrupted supply of power in order to ensure that we are able to manufacture our products in time. To meet power failure exigencies, our color quoting chambers which is our key manufacturing process is operated through LPG based process to ensure uninterrupted supply. Any interruption in power supply to our Manufacturing Facility may disrupt our operations. Our business and financial results may be affected by any disruption of operations due to lack of essential utilities.

26. ***Our Promoters Directors and Key Management Personnel are interested in our Company other than reimbursement of expenses or normal remuneration or benefits.***

Our Promoter Directors and Key Management Personnel are interested in our Company to the extent of being the Promoters Directors and KMP of our Company and to the extent of their shareholding and dividends payable to them, if any.

27. **Information included in this Letter of Offer relating to the installed capacity, actual production and capacity utilisation at our manufacturing facilities are based on various assumptions and estimates and future production and capacity may vary.**

Information included in this Letter of Offer relating to the installed capacity, actual production and capacity utilisation at our manufacturing facilities are based on various assumptions and estimates of our management that have been taken into account by an independent chartered engineer in the calculation of the installed capacity, actual generation and capacity utilisation of our Manufacturing Facility and such calculations may not be computed on the basis of any standard methodology and may not be comparable to that employed by other companies. Undue reliance should therefore not be placed on our installed capacity and capacity utilisation included in this Letter of Offer. For details, see **“Our Business—Manufacturing Facilities”** on page 71 of this Letter of Offer.

28. **We have not registered our trademark or logo nor have we made any application to register the same. If we are unable to protect our trademarks and trade-names, others may be able to use our trademarks and trade-names to compete more effectively.**

We have neither obtained trademark registrations for our name or logo nor have we applied to register our name or logo. We cannot assure you that we will be able to obtain such registrations in a timely manner, in case we determine to apply in the later course of time. As a result, we may be unable to prevent use of these names or variations thereof by any other party or ensure that we will continue to have a right to use it. We further cannot assure you that any third party will not infringe upon our trademark, logo and/or trade name in a manner that may have a material adverse effect on our business prospects, reputation and goodwill.

29. **We have certain contingent liabilities which may adversely affect our results of operation, cash flows and financial condition.**

Our Contingent liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021 as per our Limited Reviewed Financial Consolidated Statements and Restated Consolidated Statements are set out below:

(₹ in lakhs)

Contingent Liabilities	March 31, 2023	March 31, 2022	March 31, 2021
Appeal has been filed for VAT & CST case for F.Y. 2013-14, F.Y. 2015-16 and F.Y 2016-17	169.16	104.09	Nil
Disputed Income Tax liabilities for FY 17-18 for which appeal has been filed	174.55	174.55	174.55
Disputed Income Tax liabilities for FY 18-19 for which appeal has been filed	71.13	71.13	Nil
Total	414.85	349.78	174.55

If a significant portion of these liabilities materialise, it could have an adverse effect on our business, cash flows, financial condition and results of operations. For further details, please see to the section **“Restated Financial Statements”** on page 89 of this Letter of Offer.

30. **Our Company in certain instances in the past, has delayed in paying statutory dues to various government and local bodies which may require us to pay penalties.**

Our Company has, in certain instances in the past, delayed payment of employee’s dues as well as certain statutory dues in the past. While there are no outstanding litigations or anticipated penalties with respect to such delays as on date, we cannot assure that we will not be subject to civil and criminal liabilities for such delays. We cannot assure you that statutory dues owed by our Company will not be unpaid at balance sheet dates in the future or that we may not be subject to penalties imposed by the statutory authorities for such delays. For further details on Outstanding Dues please see section titled **“Restated Financial Statements”** on page 89 of this Letter of Offer.

31. **Our Promoters have pledge a portion of their shareholdings in relation to the debt facilities provided to us.**

79.63% of our Promoters holdings are pledged with TDB as security towards soft loans of Rs. 750 Lakhs sanctioned to the Company. In an event if TDB invokes the pledge such pledged share may be transferred

in the name of TDB and the effect of which may result in, amongst other things, change of control, decline in value of shares, etc. For more information relating to pledged shares, see the “**Capital Structure**” and “**Restated Financial Statements**” on page 44 and 89 of this Letter of Offer.

32. ***We have not commissioned an industry report for the disclosures made in the section titled ‘Our Industry’ and made disclosures based on the data available on the internet and such third-party data has not been independently verified by us.***

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the section titled ‘**Our Industry**’ beginning on page 62 of this Letter of Offer. We have made disclosures in the said section based on the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such third-party data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Letter of Offer. Further, the industry data mentioned in this Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Letter of Offer in this context.

33. ***We may face foreign exchange risks that could adversely affect our results of operations, further having an impact on our cash flows and our financial results may fluctuate.***

We may face foreign exchange rate risk as a portion of our revenues are denominated in a currency other than the Indian Rupee. Because of our foreign currency exposure, exchange rate fluctuations between the Indian Rupee and foreign currencies can have a material impact on our results of operations, cash flows and financial condition.

34. ***Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.***

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see “**Dividend Policy**” on page 88 of this Letter of Offer.

35. ***If we fail to maintain an effective system of internal controls, we may not be able to successfully manage or accurately report our financial risks.***

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. There can be no assurance that additional deficiencies in our internal controls will not arise in the future, or that we will be able to implement and continue to maintain adequate measures to rectify or mitigate any such deficiencies in our internal controls.

EXTERNAL RISK FACTORS

36. ***Slowdown in economic growth in India could cause our business to suffer.***

Our performance and growth are dependent on the health of the Indian 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. Any significant change may adversely affect our business and financials.

37. ***Financial instability in other countries may cause increased volatility in Indian and other financial markets.***

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the

United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

These could include greater volatility of markets in general due to the increased uncertainty. These and other related events could have a significant impact on the global credit and financial markets as a whole, and could result in reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the global credit and financial markets. There are also concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Equity Shares.

38. *Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.*

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 elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, 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. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

39. *Natural disasters, epidemics, pandemics, acts of war, terrorist attacks and other events could materially and adversely affect our business.*

Natural disasters (such as earthquakes, fire, typhoons, cyclones, hurricanes and floods), pandemics, epidemics, strikes, civil unrest, terrorist attacks and other events, which are beyond our control, may lead to global or regional economic instability, which may in turn materially and adversely affect our business, financial condition, cash flows and results of operations. Any of these occurrences could cause severe disruptions to our daily operations and may warrant a temporary closure of our facilities. Such closures may disrupt our business operations and adversely affect our results of operations. Our operation could also be disrupted if our customers or business partners are affected by such natural disasters or epidemics.

An outbreak or epidemic, such as SARS, the H1N1 and H5N1 viruses or COVID-19 could cause general consumption or the demand for various products to decline, which could result in reduced demand for our services. Such an outbreak or epidemic may significantly interrupt our business operations as health or governmental authorities may impose quarantine and inspection measures on us or our contractors, or restrict the flow of cargo to and from areas affected by the outbreak or epidemic.

Furthermore, certain regions in India have witnessed terrorist attacks and civil disturbances and it is possible that future terrorist attacks or civil unrest, as well as other adverse social, economic and political events in India could have a negative effect on us. Transportation facilities, including vehicles, can be targets of terrorist attacks, which could lead to, among other things, increased insurance and security costs. Regional and global political or military tensions or conflicts, strained or altered foreign relations, protectionism and acts of war or the potential for war could also cause damage and disruption to our business, which could materially and adversely affect our business, financial condition, cash flows and results of operations. Such incidents could create the perception that investments in Indian companies involve a higher degree of risk and such perception could adversely affect our business and the price of the Equity Shares. We may also face difficulty in accessing certain parts of India at certain times of the year or under adverse or inclement weather conditions.

40. *Changing laws, rules and regulations and legal uncertainties in India and other countries may adversely affect our business and financial performance.*

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. For example, the Government of India implemented a comprehensive national goods and services tax (“GST”) regime with effect from July 1, 2017, that combined multiple taxes and levies by the Central and State Governments into a unified tax structure. Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST, as it is implemented. The Government has enacted the GAAR which have come into effect from April 1, 2017.

Further, the Government of India has announced the union budget for the Fiscal 2023, pursuant to which the Finance Bill, 2021 (“**Finance Bill**”) has introduced various amendments. The Finance Bill has received assent from the President of India on March 28, 2021, and has been enacted as the Finance Act, 2021 (“**Finance Act**”). There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act would have a material adverse effect on our business, financial condition and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has, in a decision clarified the components of basic wages, which need to be considered by companies while making provident fund payments. Our Company has not made relevant provisions for the same, as on date. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

41. *Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.*

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders rights including in relation to class actions, under Indian law may not be as extensive as shareholders rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction. Further, our Company's Articles of Association, composition of our Company's Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as a shareholder in an Indian company than as a shareholder of an entity in another country or jurisdiction.

42. *Adverse geopolitical conditions such as increased tensions between India and China, could adversely affect our business, results of operations and financial condition.*

Adverse geopolitical conditions such as increased tensions between India and China resulting in any military conflict in the region could adversely affect our business and operations. Such events may lead to countries imposing restrictions on the import or export of products or raw materials, among others, and affect our ability to procure raw materials required for our manufacturing operations. We could also be affected by the introduction of import tariffs in India, or in the countries to which we export our products, or changes in trade agreements between countries.

43. *Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as IFRS and U.S. GAAP, with which investors may be more familiar.*

Our audited financial statements contained in this Letter of Offer have been prepared and presented in accordance with GAAP and no attempt has been made to reconcile any of the information given in this Letter of Offer to any other principles or to base it on any other standards.

Unless stated otherwise and unless context requires otherwise, the financial data in this Letter of Offer is derived from the Financial Statements. Our Fiscal commences on April 1 and ends on March 31 of the following calendar year. For details, see *"Restated Financial Statements"* on page 89 of this Letter of Offer.

The GoI has adopted the Indian accounting standards ("Ind AS"), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board ("IFRS") and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the "Ind AS Rules"). As per notification dated February 16, 2015 issued by the MCA, Companies listed on SME exchange not required to apply IND AS on mandatory basis. Our company is preparing the financial statements as per the Indian GAAP.

The Restated Financial Statements of our Company for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 are prepared in accordance with Indian GAAP and as per Schedule III of Companies Act and other relevant provisions of the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Draft Letter of Offeres (revised), 2019, issued by the ICAI.

Ind AS differs from accounting principles with which prospective investors may be familiar, such as IFRS and U.S. GAAP. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial information included in this Letter of Offer, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information is dependent on your familiarity with Ind AS and the Companies Act. Any reliance by persons not familiar with Ind AS on the financial disclosures presented in this Letter of Offer should accordingly be limited.

44. *Conditions in the Indian securities market and stock exchanges may affect the price and liquidity of our Equity Shares.*

Indian stock exchanges, which are smaller and more volatile than stock markets in developed economies, have in the past, experienced problems which have affected the prices and liquidity of listed securities of Indian companies. These problems include temporary exchange closures to manage extreme market volatility, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time-to-time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected. Further, a closure of, or trading stoppage on, either of the Stock Exchanges could adversely affect the trading price of our Equity Shares.

RISKS IN RELATION TO EQUITY SHARES

45. *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 Entitlement.

46. *SEBI has recently streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars, and in this Letter of Offer.*

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI Rights Issue circulars and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. Further, while in accordance with the SEBI Rights Issue Circulars, the credit of Rights Entitlements shall be made into the demat accounts of the Eligible Equity Shareholders as on the Record Date, such Eligible Equity Shareholders shall be participate in the Issue only in accordance with the applicable laws in their respective jurisdictions.

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 Right 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 the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) 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 (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

47. *No market for the Right Entitlements may develop and the price of the Right Entitlements may be volatile.*

No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchanges during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend

on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements. Since the trading of the Rights Equity Shares will be on a separate segment compared to the Equity Shares on the floor of the Stock Exchanges, the trading of Rights Equity Shares may not track the trading of Equity Shares. The trading price of the Rights Entitlements may be subject to greater price fluctuations than that of the Equity Shares.

- 48. *We cannot guarantee that the Equity Shares issued under this Issue will be listed on the Stock Exchanges in a timely manner, if at all.***

In accordance with Indian law and practice, after our Board or committee passes the resolution to allot the Equity Shares but prior to crediting such Equity Shares into the Depository Participant accounts of the investors, we are required to apply to the Stock Exchanges for final approval for listing and trading of the Equity Shares. There could be a failure or delay in obtaining these approvals from the Stock Exchanges, which in turn could delay the listing of the Equity Shares on the Stock Exchanges. There can be no assurance 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. Any failure or delay in obtaining these approvals would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, may not be indicative of the prices at which the Equity Shares will trade in the future.

- 49. *Any future issuance of Equity Shares by us or sales of our Equity Shares by any of our significant shareholders may adversely affect the trading price of our Equity Shares.***

Any future issuance of our Equity Shares by us could dilute your shareholding. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares and could impact our ability to raise capital through an offering of our securities. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

- 50. *Foreign investors are subject to foreign investment restrictions under Indian law that limit our ability to attract foreign investors, which may adversely affect the trading price of our 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 requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required. In addition, 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 or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. 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.

- 51. *Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.***

Under current Indian tax laws and regulations, capital gains arising from the sale of shares in an Indian company are generally taxable in India. Previously, any gain unrealized on the sale of listed equity shares on or before March 31, 2018 on a stock exchange held for more than 12 months was not subject to long-term capital gains tax in India if securities transaction tax ("STT") was paid on the sale transaction. However, the Finance Act, 2018, now seeks to tax on such long-term capital gains exceeding ₹ 100,000 arising from sale of equity shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such Equity Shares. 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 our 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 our Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is 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 a gain upon the sale of our Equity Shares Rights Entitlements.

Further, the Finance Act, 2019, which has been notified with effect from April 1, 2019, stipulates the sale, transfer and issue of securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have been notified on December 10, 2019; however, these amendments will come into effect from July 1, 2020. The Finance Act, 2020 has also provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident.

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

In terms of the SEBI ICDR Regulations, 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, cash flows or financial condition, or other events affecting the Applicant's decision to invest in the Equity 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 Equity Shares at a price that will be higher than the actual market price for 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.

53. *Overseas shareholders may not be able to participate in the Company's future rights offerings or certain other equity issues.*

If our Company offers or causes to be offered to holders of its Equity Shares rights to subscribe for additional Equity Shares or any right of any other nature, our Company will have discretion as to the procedure to be followed in making such rights available to holders of the Equity Shares or in disposing of such rights for the benefit of such holders and making the net proceeds available to such holders. For instance, our Company may not offer such rights to the holders of Equity Shares who have a registered address in the United States. Our Company has no obligation to prepare or file any registration statement. Accordingly, shareholders who have a registered address in the United States may be unable to participate in future rights offerings and may experience a dilution in their holdings as a result.

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

The Issue Price of the Rights Equity Shares will be determined by our Company. This price may not be indicative of the market price for the 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. We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can

be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

55. ***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. There can be no assurance 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.

56. ***Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

57. ***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 pre-emptive 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.

58. ***Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoters or members of our Promoter Group may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute 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. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoters and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoters and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

SECTION III – INTRODUCTION

THE ISSUE

This Issue has been authorized by way of a resolution passed by our Board on March 14, 2023 pursuant to section 62(1)(a) of the Companies Act, 2013 and other applicable provisions. The terms of the Issue including the Record Date and Rights Entitlement Ratio was determined by the Rights Issue Committee in their meeting held on July 26, 2023.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, detailed information included in “*Terms of the Issue*” beginning on page 135 of this Letter of Offer.

Rights Equity Shares being offered by our Company	Up to 64,32,000 Rights Equity Shares
Rights Entitlement	58 Partly paid-up Rights Equity Share for every 100 fully paid-up Equity Share(s) held on the Record Date.
Record Date	Tuesday, August 01, 2023
Face value per equity share	₹ 10.00/- each
Issue Price per Rights Equity Shares	₹ 18 per Equity Share (including a premium of ₹8 per Equity Share) On Application, Investors will have to pay ₹7 per Rights Equity Share, which constitutes 38.89% of the Issue Price and the balance ₹11 per Rights Equity Share which constitutes 61.11% of the Issue Price, will have to be paid, on one or more subsequent Call(s), as determined by our Board at its sole discretion, from time to time.
Issue Size (Rights Size)	₹ 1157.76 lakhs [#] . <i>[#]To be adjusted as per the Rights Entitlement ratio</i>
Dividend	Such dividend, in proportion to the amount paid-up on the Rights Equity Shares, as may be recommended by our Board and declared by our Shareholders, as per applicable law
Voting Rights	The Rights Equity Shares issued pursuant to this Issue shall rank <i>pari passu</i> in all respects with the Equity Shares of our Company.
Equity Shares subscribed, paid-up and outstanding prior to the Issue	1,10,63,778 Equity Shares For details, please see section titled “ <i>Capital Structure</i> ” beginning on page 44 of this Letter of Offer.
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	1,74,95,778 Equity Shares [#] <i>[#]Assuming full subscription and receipt of all Calls Monies with respect to the Rights Equity Shares</i>
Security codes for the Equity Shares	ISIN for Equity Shares: INE925S01012 NSE Code: PERFECT
ISIN for Rights Entitlements	INE925S20012
Terms of the Issue	For details, please see section titled “ <i>Terms of the Issue</i> ” beginning on page 135 of this Letter of Offer.
Use of Issue Proceeds	For details, please see section titled “ <i>Objects of the Issue</i> ” beginning on page 46 of this Letter of Offer.

For details in relation to fractional entitlements, please see section titled “*Terms of the Issue*” beginning on page 135 of this Letter of Offer.

GENERAL INFORMATION

Our Company was originally incorporated as “Perfect Aircon Engineering Private Limited”, as a Private Limited Company under the provision of Companies Act, 1956 vide Certificate of Incorporation dated May 16, 1996. Pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on April 05, 2005, our Company was converted into a public limited company and the name of our Company was changed to “Perfect Aircon Engineering Limited” pursuant to a fresh Certificate of Incorporation dated April 19, 2005 issued by the Registrar of Companies, Maharashtra, Mumbai. The name of our Company was further changed to “Perfect Infraengineers Limited” pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on April 20, 2009 and a fresh Certificate of Incorporation dated May 11, 2009 was issued by the Registrar of Companies, Maharashtra, Mumbai. Our Company was listed on NSE Emerge platform on November 20, 2015.

Registered Office of Company	R-637, TTC Industrial Area, MIDC, T. B. Road, Rabale, Navi Mumbai, Thane, Maharashtra-400708, India.
Company Registration Number	099583
Corporate Identity Number	L29190MH1996PLC099583
Email ID	cs@perfectinfra.com
Website	www.perfectinfra.com
Telephone	+91 9004 699 338

REGISTRAR OF COMPANIES

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

100, Everest, Marine Drive, Mumbai-400002, Maharashtra, India.

CHIEF FINANCIAL OFFICER

Manisha Mehta

R-637, TTC Industrial Area, MIDC, T. B. Road, Rabale, Navi Mumbai, Thane, Maharashtra-400708, India.

Tel No: +91 9004 699 338

Email ID: mm@perfectinfra.com

COMPANY SECRETARY & COMPLIANCE OFFICER

Maryam Bahnan

Address: R-637, TTC Industrial Area, MIDC, T. B. Road, Rabale, Navi Mumbai, Thane, Maharashtra-400708, India.

Tel No: +91 9004 699 338

Email ID: cs@perfectinfra.com

BOARD OF DIRECTORS

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

NAME	DIN	DESIGNATION	AGE	ADDRESS
Nimesh Mehta	00247264	Managing Director	57	1905, Building No. 148, Rosella, Mayuresh CHS Pant Nagar, Ghatkopar East, Mumbai-400075, Maharashtra, India.
Manisha Mehta	00247274	Executive Director & CFO	54	1905, Building No. 148, Rosella, Mayuresh CHS Pant Nagar, Ghatkopar East, Mumbai-400075, Maharashtra, India
Gurinderkaur Multani	03036594	Non-Executive Independent Director	60	202, Harshwardhan off Versova Link Road

NAME	DIN	DESIGNATION	AGE	ADDRESS
				Sea Face, Andheri West, Mumbai-400058, Maharashtra, India.
Rakesh Chauhan	08974505	Non-Executive Independent Director	48	B-5/84, First floor, Safdarjung Enclave VTC, Safdarjung Enclave, South West Delhi-110029, India.
Raj Singh	09437623	Non-Executive Independent Director	60	304, Tulip, Regency Garden, Near Utsav Chowk, Sector 06, Kharghar, Raigarh, Panvel-410210, Maharashtra, India.

For further details of our Board of Directors, please see to the section titled **“Our Management”** beginning on page 79 of this Letter of Offer.

The details of Intermediaries are as follows:

REGISTRAR TO THE ISSUE	
Kfin Technologies Limited Address: Selenium Tower-B, Plot 31&32, Gachibowli Financial District, Nanakramguda Serilingampally, Hyderabad – 500 032 Telangana, India. Tel. No.: +91 40 6716 2222 Email: pil.rights@kfintech.com Website: www.kfintech.com Contact Person: M.Murali Krishna SEBI Registration No.: INR000000221	
STATUTORY & PEER REVIEW AUDITOR	
JCR & Co. LLP, Chartered Accountants Address: Raval House, Level III, 18 th Road Khar (West) Mumbai 400 052, Maharashtra, India. Telephone: +91 77189 61152 Email Id: jrcindia@gmail.com Contact Person: CA Rajeshwari Joshi Peer Review No.: 013372 Firm Registration No.: 105270W/W100846 Membership No.: 187779	
LEGAL ADVISOR TO THE COMPANY	
Vidhigya Associates, Advocates 501, 5 th Floor, Jeevan Sahakar Building Sir P M Road, Homji Street Fort, Mumbai - 400 001 Tel No: +918424030160 Email: rahul@vidhigyaassociates.com Contact Person: Rahul Pandey	
BANKERS TO THE ISSUE	BANKERS TO THE COMPANY
Axis Bank Limited Address: Gr Floor, Neptune Uptown Society, NS Road, Next to Shivsagar Hotel, Mulund West- Mumbai 400080. Tel No: 079-26409322 Email Id: mulund.branchhead@axisbank.com Website: www.axisbank.com Contact Person: G Shankar SEBI Registration No.: INBI00000017	Bank of India Address: Kanmoor House 281/287, Narshi Natha Street, Post Box No. 51105, Mumbai – 400009, Maharashtra, India Tel No: 022-23733317/ 8924 / 2105 Email Id: mandvi.mumbaisouth@bankofindia.co.in Website: www.bankofindia.co.in Contact Person: Onkar Nath Thakur SEBI Registration No.: INBI00000009

Investor Grievances

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB (in case of ASBA process), giving full details such as name, address of the applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account, number of Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see “*Terms of the Issue*” beginning on page 135 of this Letter of Offer.

Expert

Our Company has received written consent dated May 13, 2023 from the Statutory Auditors, JCR & Co. LLP, Chartered Accountants and written consent dated 30th May 2023 from the Independent Chartered Engineer, Mr Shripad.V. Kale to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Letter of Offer as an “*expert*” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated June 22, 2023 on our Restated Financial Statement for the financial years ended March 31, 2023, March 31, 2022, March 31, 2021; and (ii) the statement of tax benefits dated June 03, 2023 included in this Letter of Offer and such consent has not been withdrawn as on the date of this Letter of Offer.

DESIGNATED INTERMEDIARIES

Self-Certified Syndicate Banks (“SCSBs”)

The lists of SCSBs notified by SEBI to act as SCSB for the ASBA process is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time. For details of the Designated Branches of SCSBs collecting the Application Forms, please refer to the above-mentioned SEBI link. On Allotment, the amount will be unblocked, and the account will be debited only to the extent required to pay for the Rights Equity Shares allotted.

STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES

The Company has not appointed any lead manager to the Issue and hence there is no inter-se allocation of responsibilities.

CREDIT RATING

This being a Rights Issue of Equity Shares, credit rating is not required.

DEBENTURE TRUSTEES

Since this is not a debenture issue, appointment of debenture trustee is not required.

MONITORING AGENCY

Since the Issue size does not exceed ₹10,000.00 lakhs, there is no requirement to appoint a monitoring agency in relation to the Issue under SEBI ICDR Regulation.

UNDERWRITING

This Rights Issue is not underwritten.

CHANGES IN STATUTORY AUDITORS DURING THE LAST THREE YEARS

There has been no change in the Statutory Auditors of our Company during the last three years preceding the date of this Letter of Offer.

FILING

The Draft Letter of Offer has been filed with the SME platform of NSE for seeking its in-principle approval for the proposed Issue in terms of SEBI ICDR Regulations. In accordance with the SEBI ICDR Regulations, our Company shall file a copy of the Letter of Offer with the SME platform of NSE and the SEBI at its office located at SEBI Bhavan, Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India and through the SEBI Intermediary portal at <https://siportal.sebi.gov.in> in terms of the SEBI circular bearing

reference number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, for the purpose of their information and dissemination on its website.

MINIMUM SUBSCRIPTION

As the object of the Issue does not involve financing of capital expenditure, and as our Promoters and Promoter Group, through their letter dated May 17, 2023 have undertaken that they will subscribe to the full extent of their Rights Entitlements and not to renounce their Rights Entitlements except to the extent of renunciation within the Promoters and Promoter Group. Accordingly, the minimum subscription criteria mentioned under the SEBI ICDR Regulations will not be applicable to the Issue and the size of the issue will stand reduced to the extent of the Rights Issue subscribed.

Further, the Promoters and members of Promoter group have given their intention to subscribe to additional Rights Equity Shares, over and above their Rights Entitlements (including the unsubscribed portion in the Issue, if any) jointly or severally, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR.

SECTION III – INTRODUCTION

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Letter of Offer is set forth below:

(₹ in Lakhs, except the share data)

Sr. No.	Particulars	Aggregate value at	
		Face value	Issue Price
1	AUTHORISED SHARE CAPITAL		
	1,75,00,000 Equity Shares of face value of ₹ 10.00/- each	1,750.00	-
2	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL		
	1,10,63,778 fully paid-up Equity Shares of face value of ₹ 10.00/- each	1,106.38	-
3	PRESENT ISSUE IN TERMS OF THE DRAFT LETTER OF OFFER ^(*)(#)		
	Up to 64,32,000 Partly paid-up Equity shares of face value of ₹ 10.00/- each at a price of ₹ 18 per Equity Share	Up to 643.20	Up to 1157.76
4	ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL AFTER THE ISSUE ^(#)		
	1,10,63,778 fully paid-up Equity Shares of face value of ₹ 10.00/- each	1,106.38	-
	Up to 64,32,000 partly paid-up Equity shares of face value of ₹ 10.00/- each at a price of ₹ 18/- per Equity Share (₹ 7/- Partly Paid)#	192.96	450.24
5	SECURITIES PREMIUM ACCOUNT		
	Before the Issue		906.66
	After the Issue ^(#)		1,421.22

**The present Issue has been authorised by the Board of Directors vide a resolution at its meeting held on March 14, 2023 pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013*

#Assuming full subscription for and allotment of the Rights Entitlement.

Notes to the Capital Structure

- Our Company shall ensure that any transaction in the Equity Shares by our Promoters and member of Promoter Group during the period between the date of filing this Letter of Offer and the Issue Closing Date shall be reported to the Stock Exchanges within 24 hours of such transaction.
- The Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer;
- As on the date of this Letter of Offer, our Company has not issued any special voting right Shares and there are no outstanding Equity Shares having special voting rights;
- As on the date of this Letter of Offer, our Company does not have any outstanding warrants, outstanding instruments with an option to convert or securities which are convertible later into Equity Shares;
- No Equity Shares held by our Promoters or Promoter Group have been locked-in, pledged or encumbered as of the date of this Letter of Offer.
- Our Promoters and Promoter Group have not acquired any Equity Shares in the one year immediately preceding the date of filing of this Letter of Offer with SEBI
- As on the date of this Letter of Offer, our Company does not have an employee stock option scheme or employee stock purchase scheme.
- The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the Takeover Regulations is ₹ 19.10/- per equity share.

Shareholding pattern

Shareholding pattern of our Company as per the last filing with the Stock Exchanges in compliance with the provisions of the SEBI Listing Regulations:

1. The statement showing holding of the Equity Shares as on June 30, 2023, can be accessed on the website of NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=PERFECT&tabIndex=sme>
2. The statement showing holding of the Equity Shares of the persons belonging category to the “**Promoter and Promoter Group**” including the details of lock-in, pledge of and encumbrance thereon, as on June 30, 2023, can be accessed on the website of NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=PERFECT&tabIndex=sme>
3. The statement showing holding of the Equity Shares of persons belonging to the category “**Public shareholders**” as on June 30, 2023, can be accessed on the website of NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=PERFECT&tabIndex=sme>
4. The statement showing holding of the Equity Shares of persons belonging to the category “**Non-Promoter-Non-Public shareholder**” as on June 30, 2023, can be accessed on the website of NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=PERFECT&tabIndex=sme>
5. The statement showing holding of the Equity Shares of persons belonging to the category “**Trading Members**” holding more than 1% or more of the Total Shares as on June 30, 2023, can be accessed on the website of NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=PERFECT&tabIndex=sme>
6. The statement showing holding of the Equity Shares of persons belonging to the category significant beneficial owners as on June 30, 2023, can be accessed on the website of NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=PERFECT&tabIndex=sme>
7. Details of the Shareholders holding more than 1% of the issued, subscribed and paid-up Equity Share Capital. The details of shareholders of our Company holding more than 1% of the issued, subscribed and paid -up Equity Share capital of our Company, as on June 30, 2023 are available at the website of NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=PERFECT&tabIndex=sme>
8. **Intention and extent of participation by our Promoters and Promoter Group:**

Our Promoters and members of the Promoter Group, vide their letter dated 17th May, 2023, have confirmed and undertake that they, jointly and/or severally, intend to subscribe in the Issue, to the full extent of their Rights Entitlements and have also confirmed that they shall not renounce their Rights Entitlements (except to the extent of renunciation by any of them in favour of any other Promoters or member of the Promoter Group). Further, our Promoters and Promoter Group reserve the right to apply for, and subscribe to, any additional Rights Equity Shares over and above their Rights Entitlements.

The acquisition of Rights Equity Shares by our Promoters and members of the Promoter Group, over and above their Rights Entitlements shall not result in a change of control of the management of our Company and shall be in compliance with SEBI SAST 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.

OBJECTS OF THE ISSUE

The Net Proceeds from the Issue are proposed to be utilised by our Company for the following objects (*collectively referred to as “Objects”*):

1. Part repayment or prepayment of unsecured loans availed from the Promoters and from the member of the Promoter Group;
2. Meeting working capital requirements; and
3. General corporate purposes.

The main objects clause and objects incidental or ancillary to the main objects as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Issue.

In addition to the aforementioned objects, our Company intends to strengthen its capital base.

Net Proceeds

The details of the proceeds of the Issue are summarised in the table below:

Particulars	Estimated Amount (₹ In lakhs)
Gross Proceeds from the Issue*	1,157.76
Less: Issue Related Expense	45.00
Net Proceeds	1,112.76

**Assuming full subscription and Allotment of the Rights Entitlement*

Utilization of Net Proceeds and schedule of implementation and deployment

The Net Proceeds are currently expected to be deployed in accordance with the schedule set forth below:

(₹ In Lakhs)

Particulars	Amount to be funded from Net Proceeds	Estimated utilisation of Net Proceeds in Fiscal 2024	Estimated utilisation of Net Proceeds in Fiscal 2025
Part repayment or prepayment of unsecured loans availed from the Promoters and from the member of the Promoter Group	143.76	143.76	Nil
Meeting incremental working capital requirements	Up to 769.00	Up to 522.43	Up to 246.57
General corporate purposes*	200.00	100.00	100.00

**To be finalised upon determination of Issue Price and updated in the Letter of Offer. The amount shall not exceed 25% of the Gross Proceeds.*

The above fund requirements are based on our current business plan, management estimates and have not been appraised by any bank or financial institution. Our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our Board and will not be subject to monitoring by any independent agency. For further details of factors that may affect these estimates, see **“Risk Factors - There is no monitoring agency appointed by our Company to monitor the utilization of the Issue proceeds”** on page 22 of this Letter of Offer. 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 the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. If the funding of the said object of the offer is not completed from the Net Proceeds, then the remaining costs shall be met from

our internal accruals. Further, in case the Net Proceeds are not completely utilised in a scheduled Fiscal Year due to any reason, the same would be utilised (in part or full) in the next Fiscal Year/ subsequent period as may be determined by our Company, in accordance with applicable law.

In case of any increase in the actual utilisation of funds earmarked for any of the Objects of the Issue or a shortfall in raising requisite capital from the Net Proceeds, such additional funds for a particular activity will be met through means available to us, including by way of incremental debt and/or internal accruals. If the actual utilisation towards any of the Objects and issue expenses is lower than the proposed deployment, such balance will be used towards other objects as stated herein above, including general corporate purposes to the extent that the total amount to be utilized towards general corporate purpose will not exceed 25% of the Gross Proceeds from the Issue in accordance with applicable law.

Where the issue size is reduced on account of any unsubscribed portion, the proceeds to be utilized towards the above Objects (other than part repayment or prepayment of unsecured loans availed from the Promoters and from the member of the Promoter Group & the issue expenses) would stand reduced proportionately or in such proportion, at the discretion of the management. As and when our Company makes the Call(s) for the balance monies with respect to the Rights Equity Shares, our Company shall endeavour to utilize the proceeds raised from such Call(s) within the same Fiscal as the receipt of the said Call Monies failing which our Company shall utilize the said Call Monies in the subsequent Fiscal.

Means of Finance

The fund requirements of the Objects detailed above are intended to be funded from the proceeds of the Rights Issue. Hence, no amount is required to be raised through means other than the Issue Proceeds. Accordingly, the requirements under Regulation 62(1)(c) of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals) are not applicable.

Details of the Objects of the Issue

1. *Part repayment or prepayment of unsecured loans availed from the Promoters and from the member of the Promoter Group.*

Since the Company required fund towards meeting its working capital requirements, the Promoters and members of the Promoter Group have advanced by way unsecured loans to the Company at various intervals. As on March 31, 2023, our Company has availed unsecured loans amounting to ₹ 143.77 Lakhs from our Promoters, Mr. Nimesh Mehta and Mrs. Manisha Mehta as stated in the table below. These loans are repayable on demand and there are no penalties for prepayment.

Sr. No.	Name of the Lender	Outstanding Unsecured loan as on March 31, 2023	Interest (%)	Nature of Borrowing	Proposed repayment Net Proceeds
1.	Mr. Nimesh Natvarlal Mehta	61.17	NIL	Business Purpose	61.17
2.	Mrs. Manisha Nimesh Mehta	82.59	NIL	Business Purpose	82.59

Our Company shall adjust the unsecured loan given by Mr. Nimesh Mehta and Mrs. Manisha Mehta, our Promoters against the application or any subsequent call money payable by Mr. Nimesh Mehta and Mrs. Manisha Mehta, to the extent of their subscription and allotment of the Rights Equity Shares to them under the Issue, whether pursuant to their Rights Entitlement or subscription to additional Rights Equity Shares (as the case may be). Consequently, no fresh issue proceeds would be received by our Company to that extent. Further, our Company will ensure that the repayment/prepayment of these unsecured loans held by Mr. Nimesh Mehta and Mrs. Manisha Mehta, our Promoters shall not be made through proceeds of the Rights Issue except, that the Borrowings from such Promoters are adjusted only against share application or any subsequent call money payable to the extent of their subscription and allotment of the Rights Equity Shares under the Issue.

2. *Meeting working capital requirements*

We have significant working capital requirements, and we fund our working capital requirements in the ordinary course of business from our internal accruals/equity and financing facilities from various banks,

financial institutions, non-banking financial companies and related parties. Our Company requires additional working capital for funding future growth requirements of our Company.

Basis of estimation of working capital requirement

Details of Company's working capital and the source of funding, on the basis of Restated Financial Information of our Company as at March 31, 2023, March 31, 2022 and March 31, 2021 and for the projected period March 31, 2024 and March 31, 2025 is as set out in the table below:

(₹ In lakhs)

Particulars	As at March 31, 2025 (Projected)*	As at March 31, 2024 (Projected)*	As at March 31, 2023 (Restated)*	As at March 31, 2022 (Restated)*	As at March 31, 2021 (Restated)*
Current Assets					
Inventories	1,365.82	1,119.52	910.18	787.81	720.97
Trade Receivables	1,471.00	1,007.53	726.67	525.15	676.90
Other Current Assets Including Short Term Loan and Advances	1,008.42	1,035.36	787.57	792.56	848.01
Total (A)	3,845.24	3,162.41	2,424.42	2,105.52	2,245.88
Current Liabilities					
Trade Payables	675.25	341.22	155.10	241.93	203.94
Other Current Liabilities	174.22	135.75	106.36	60.73	96.84
Short Term Provisions (Current Tax Liabilities)	12.37	12.37	12.32	12.25	12.38
Total (B)	861.84	489.34	273.78	314.91	313.16
Net Working Capital (A)-(B)	2,983.40	2,673.07	2,150.64	1,790.61	1,932.72
Sources of Working Capital					
Bank and other Borrowings*	433.72	433.72	433.72	433.72	502.69
Other Sources (Internal Accruals)	2,303.11	1,716.92	1,716.92	1,356.89	1,430.03
Rights issue proceeds	246.57	522.43	-	-	-

For further details, please refer to “**Restated Financial Statements**” on page 89.

Assumptions for our estimated working capital requirement:

(in days)

Particulars	As on March 31, 2025 (Projected)	As on March 31, 2024 (Projected)	As at March 31, 2023* (Restated)	As at March 31, 2022* (Restated)	As at March 31, 2021* (Restated)
No. of Days holding period of Inventory	142	233	461	670	2,031
No. of Days holding period of Trade Receivables	153	210	368	446	1,907

Particulars	As on March 31, 2025 (Projected)	As on March 31, 2024 (Projected)	As at March 31, 2023* (Restated)	As at March 31, 2022* (Restated)	As at March 31, 2021* (Restated)
No. of Days holding period of Trade Payables	70	71	79	206	574

To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned object of the Offer, as per the estimated schedule of utilisation specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the aforementioned object, in accordance with applicable law.

3. *General corporate purposes*

Our Company intends to deploy the balance Net Proceeds 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 but not restricted to (i) funding growth opportunities, including strategic initiatives; (ii) acquiring assets, such as plant and machinery, furniture and fixtures, and intangibles; (iii) working capital requirements; (iv) repayment/ prepayment of our borrowings; (v) servicing of borrowings including payment of interest; (vi) meeting of exigencies which our Company may face in the course of any business; (vii) brand building and other marketing expenses; (viii) meeting any shortfall in estimate towards issue related expenses; (ix) capital expenditure; (x) strategic initiatives; (xi) meeting expenses incurred by our Company; (xii) strengthening of our manufacturing capabilities and (xiii) any other purpose as permitted by applicable laws.

Our management will have the discretion to revise our 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. 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 subsequent Fiscals.

Issue Related Expenses

The total expenses of the Issue are estimated to be ₹ 45 lakhs. The break-up for the Issue expenses is as follows:

Activity	Estimated Amount (₹ In lakhs)	As a % of total estimated issue expenses ⁽¹⁾	As a % of issue size ⁽¹⁾
Fees of the RTA, and legal advisor, other professional service providers	18.00	40.00%	1.55%
Fees payable to regulators, including depositories, Stock Exchange, and SEBI	17.50	38.89%	1.51%
Statutory advertising, marketing, printing and distribution	6.00	13.33%	0.52%
Other expenses (including miscellaneous expenses and stamp duty)	3.50	7.78%	0.30%
Total	45.00	100.00%	3.89%

Notes:

1. Assuming full subscription and Allotment of the Rights Entitlement. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall 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 Initial Subscription Amount to the Rights Equity Shares
2. The fund deployed out of internal accruals up to 23 June, 2023 is ₹ 2,00,000 towards issue expenses and the same will be recouped out of issue expenses.

Interim use of Net Proceeds

Our Company, in accordance with the policies established by the Board, from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilisation for the purposes described above, we undertake to temporarily invest the funds from the Net Proceeds in deposits with one or more scheduled commercial banks included in the

Second Schedule of Reserve Bank of India Act, 1934, for the necessary duration. Such investments will be approved by our Board from time to time. Our Company confirms that it shall not use the Net Proceeds for any buying, trading, or otherwise dealing in the shares of any other listed company or for any investment in the equity markets or providing inter-corporate deposits to any related parties.

Additionally, in compliance with Regulation 66 of the SEBI ICDR Regulations, our Company confirms that it shall not use the Net Proceeds for financing or for providing loans to or for acquiring shares of any person who is part of the Promoter Group or Group Companies. Further, our Company confirms that the borrowings proposed to be repaid from the Net Proceeds have not been utilised towards any payments, repayment / refinancing of any loans availed from the Promoter Group or Group Companies. However, as on the date of this Letter of Offer, our company is professionally managed company and currently do not have any identifiable promoters or promoter group.

Bridge financing facilities and other financial arrangements

Our Company has not raised any bridge loans or entered into any other similar financial arrangements from / with any bank or financial institution as on the date of this Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Monitoring of Utilisation of Funds

Our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds. Pursuant to Regulation 18(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Letter of Offer and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors of our Company.

Further, in accordance with Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the Net proceeds from the Objects, as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the Objects, as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results of our Company, after placing such information before our Audit Committee.

Appraising Agency

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

Other Confirmations

No part of the Net Proceeds will be utilised by our Company as consideration to our Promoters, members of the Promoter Group, Directors, Group Companies or Key Management Personnel. Our Company has not entered into nor is planning to enter into any arrangement / agreements with Promoters, members of the Promoter Group, Directors, Key Management Personnel or our Group Companies in relation to the utilisation of the Net Proceeds. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the Objects, as set out above.

Interest of Promoters, Promoter Group and directors, as applicable to the project or objects of the issue.

Our Promoters and Promoter Group have vide letter dated 17th May 2023 confirmed that an amount of ₹ 143.77 lakhs, which has been availed by our Company, in the nature of unsecured loans as per the details mentioned in the above table, is proposed to be adjusted towards the application money and any call money to be received by the Company, for the subscription to the Rights Equity Shares to be allotted in this Issue, from our Promoters, to the extent of their entitlement, renunciation of entitlement in favour of the Promoters or members of Promoter Group (if any) in the Issue or any unsubscribed portion. Consequently, no fresh Issue proceeds would be received by our Company to such an extent.

None of our Promoters, members of the Promoter Group and Directors have any interest in the objects of the Issue except as stated. No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, Promoter Group, Directors and Key Managerial Personnel of our Company, except for the part of the Net Proceeds

that will be utilized towards the repayment / prepayment of unsecured loans availed by our Company from our Promoters and member of Promoter Group as cited above.

KEY INDUSTRY REGULATIONS

Given below is a summary of certain relevant laws and regulations currently in force, applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been set out in a manner to provide general information to the investors and is not exhaustive and shall not be treated as a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Our Company is engaged in business of manufacturing, marketing and sale of material handling, industrial finishing and engineered products. We are regulated by a number of central and state legislations. Additionally, our functioning requires the sanction of concerned authorities, at various stages, under relevant legislations and local by-laws.

Given below is a brief description of certain relevant legislations that are currently applicable to the business carried on by us.

CENTRAL LAWS

The primary central legislation governing the manufacturing sector is the Factories Act, 1948. In addition, compliance of various labour related legislations, including the Payment of Wages Act, 1956, The Minimum Wages Act, 1948, Equal Remuneration Act, Employees' Compensation Act, 1923, Industrial Disputes Act, 1948, Payment of Gratuity Act, 1972, Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Payment of Bonus Act, 1965, as may be applicable in the relevant state.

The Factories Act, 1948

The Factories Act, 1948 ("**Factories Act**") seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. The term 'factory', as defined under the Factories Act, means any premises which employs or has employed on any day in the previous 12 (twelve) months, 10 (ten) or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 (twenty) or more workmen are employed at any day during the preceding 12 (twelve) months and in which any manufacturing process is carried on without the aid of power. An occupier of a factory under the Factories Act, means the person who has ultimate control over the affairs of the factory. The occupier or manager of the factory is required to obtain a registration for the factory. The Factories Act also requires *inter alia* the maintenance of various registers dealing with safety, labour standards, holidays and extent of child labour including their conditions. Further, notice of accident or dangerous occurrence in the factory is to be provided to the inspector by the manager of the factory. In addition, the Gujarat Factories Rules, 1963 are also applicable to the Company.

Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 ("**CLRA**") is an act to regulate the employment of contract labour in certain establishments and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 (twenty) or more workmen are employed or were employed on any day of the preceding 12 (twelve) months as contract labour. It also applies to every contractor who employs or who employed on any day of the preceding 12 (twelve) months, 20 (twenty) or more workmen provided that the appropriate Government may after giving not less than 2 (two) months' notice, by notification in the Official Gazette, apply the provisions of the CLRA to any establishment or contractor. Further, it contains provisions regarding Central and State Advisory Board under the CLRA, registration of establishments, and prohibition of employment of contract labour in any process, operation or other work in any establishment by the notification from the State Board, licensing of contractors and welfare and health of the contract labour. The Contract Labour (Regulation and Abolition) Central Rules, 1971 are formulated to carry out the purpose of the CLRA.

The Industrial Disputes Act, 1947 and Industrial Dispute (Central) Rules, 1957

The Industrial Disputes Act, 1947 ("**ID Act**") was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman's services. This includes detailed procedure prescribed for resolution of disputes with labour, removal and certain

financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment.

The Employees' Compensation Act, 1923

The Employees' Compensation Act, 1923 ("EC Act") has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries caused by accident(s) arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The EC Act makes every employer liable to pay compensation in accordance with the EC Act if a personal injury/disablement/ loss of life is caused to a workman by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the EC Act within 1 (one) month from the date it falls due, the commissioner appointed under the EC Act may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

The Employees State Insurance Act, 1948

The Employees State Insurance Act, 1948 ("ESI Act") provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. Employers of factories and establishments covered under the ESI Act are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

The Employees' Provident Fund and Miscellaneous Provisions Act, 1952

The Employees Provident Funds and Miscellaneous Provisions Act, 1952 ("EPF Act") was introduced with the object to institute compulsory provident fund for the benefit of employees in factories and other establishments. The EPF Act provides for the institution of provident funds and pension funds for employees in establishments where more than 20 (twenty) persons are employed and factories specified in Schedule I of the EPF Act. Under the EPF Act, the Central Government has framed the "Employees Provident Fund Scheme", "Employees Deposit linked Insurance Scheme" and the "Employees Family Pension Scheme". Liability is imposed on the employer and the employee to contribute to the funds mentioned above, in the manner specified in the statute. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

Equal Remuneration Act, 1976

Equal Remuneration Act, 1976 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith.

Maternity Benefit Act, 1961

The purpose of Maternity Benefit Act, 1961 is to regulate the employment of pregnant women and to ensure that the get paid leave for a specified period before and after child birth. It provides, *inter-alia*, for payment of maternity benefits, medical bonus and enacts prohibitions on dismissal, reduction of wages paid to pregnant women, etc.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWW Act") provides for the protection of women at work place and prevention of sexual harassment at work place. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behavior namely, physical contact and advances or a demand or request for sexual favors or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee, which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints

Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to ₹ 50,000/-.

The Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 (“**PB Act**”) is applicable to every factory and every other establishment employing 20 (twenty) or more persons. According to the provisions of the PB Act, every employer shall be bound to pay to every employee in respect of the accounting year a minimum bonus which shall be 8.33% of the salary or wage earned by the employee during the accounting year or `100/- (Rupees One Hundred), whichever is higher, whether or not the employer has any allocable surplus in the accounting year. If the allocable surplus exceeds minimum bonus payable, then the employer must pay bonus proportionate to the salary or wage earned during that period, subject to maximum of 20% of such salary or wage. ‘Allocable surplus’ is defined as 67% of available surplus in the financial year, before making arrangements for the payment of dividend out of profit of our Company.

The Minimum Wages Act, 1948

The Minimum Wages Act, 1948 (“**MW Act**”) came in to force with the objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MW Act, the appropriate government is authorised to fix the minimum wages to be paid to the persons employed in scheduled or non-scheduled employment. Every employer is required to pay not less than the minimum wages to all employees engaged to do any work whether skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to the MW Act, in respect of which minimum rates of wages have been fixed or revised under the MW Act.

The Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 (“**PG Act**”) applies to every factory and shop or establishment in which ten or more employees are employed. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than 5 (five) years:

- a) On his/her superannuation;
- b) On his/her retirement or resignation;
- c) On his/her death or disablement due to accident or disease (in this case the minimum requirement of 5 (five) years does not apply).

Gratuity is payable to the employee at the rate of 15 (fifteen) days’ wages for every completed year of service or part thereof in excess of 6 (six) months.

The Payment of Wages Act, 1936

The Payment of Wages Act, 1936 (“**PW Act**”) is applicable to the payment of wages to persons in factories and other establishments. PW Act ensures that wages that are payable to the employee are disbursed by the employer within the prescribed time limit and no deductions other than those prescribed by the law are made by the employer.

Child Labour (Prohibition and Regulation) Act, 1986

The Child Labour (Prohibition and Regulation) Act, 1986. The main objective of the act is to prohibit the engagement of children in certain employments and to regulate the conditions of work of children in certain other employments. The act defines a child as any person who has not completed his fourteenth year of age. The act prohibits children from working in any occupation listed in Part A of the Schedule; for example: Catering at railway establishments, construction work on the railway or anywhere near the tracks, plastics factories, automobile garages, etc. The act also outlines the conditions in which children may work in certain occupations/processes.

Industrial Employment (Standing orders) Act, 1946

The Industrial Employment (Standing orders) Act, 1946 - The employers of industrial establishments are required to define with sufficient precision the conditions of employment and to make the said conditions known to the workmen. The standing orders are certified by the Labour Commissioner.

Labour related legislations

Depending upon the nature of the activity undertaken by us, the applicable labour enactments other than state-wise shops and establishments acts includes the following:

- The Apprentices Act, 1961;
- The Contract Labour (Regulation and Abolition) Act, 1970;
- The Employee's Compensation Act, 1923;
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- The Payment of Gratuity Act, 1972;
- The Payment of Bonus Act, 1965;
- The Maternity Benefit Act, 1961;
- The Minimum Wages Act, 1948;
- The Employees' State Insurance Act, 1948;
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- The Payment of Wages Act, 1936;
- The Industrial Disputes Act, 1947;
- The Trade Unions Act, 1926;
- Industrial Employment (Standing Orders) Act, 1946;
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- The Equal Remuneration Act, 1976; and
- The Child Labour (Prohibition and Regulation) Act, 1986

In order to rationalize and reform labour laws in India, the GoI has notified four labour codes which are yet to come into force as on the date of this Draft Letter of Offer, namely, (i) the Code on Wages, 2019 which will repeal the Payment of Bonus Act, 1965, Minimum Wages Act, 1948, Equal Remuneration Act, 1976 and the Payment of Wages Act, 1936, (ii) the Industrial Relations Code, 2020 which will repeal the Trade Unions Act, 1926, Industrial Employment (Standing Orders) Act, 1946 and Industrial Disputes Act, 1947, (iii) the Code on Social Security, 2020 which will repeal certain enactments including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Maternity Benefit Act, 1961, Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and the Payment of Gratuity Act, 1972 and (iv) the Occupational Safety, Health and Working Conditions Code, 2020 which will repeal certain enactments including the Factories Act, 1948, Motor Transport Workers Act, 1961 and the Contract Labour (Regulation and Abolition) Act, 1970.

ENVIRONMENT LAWS

We are subject to various environmental regulations as the operation of our establishments might have an impact on the environment. The basic purpose of such statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards ("PCBs"), have been set up in each state and at the central level. Establishments, as prescribed under various regulations may be required to obtain consent orders from the PCBs. These consent orders are required to be renewed periodically.

The Environment (Protection) Act, 1986 ("EPA")

The EPA has been enacted with the objective of protecting and improving the environment and for matters connected therewith. As per the EPA, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the EPA, including the power to direct the closure, prohibition or regulation of any industry, operation or process.

The Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act")

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set out by the concerned PCB. The Water Act also provides that the consent of the concerned PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent.

The Water (Prevention and Control of Pollution) Cess Act, 1977 (“Water Cess Act”) and Water (Prevention and Control of Pollution) Cess Rules, 1978 (“Water Cess Rules”)

The Water Cess Act has been enacted to provide for the levy and collection of a cess on water consumed by persons carrying on certain industries by local authorities constituted under the Water Act, with a view to augment the resources of the central and State PCBs for the prevention and control of water pollution. The Water Cess Rules have been notified under section 17 of the Water Cess Act and provide, *inter alia*, for the standards of the meters and places where they are to be affixed and the furnishing of returns by consumers.

Air (Prevention and Control of Pollution) Act, 1981

The Air Act requires that any industry or institution emitting smoke or gases must apply in a prescribed form and obtain consent from the state PCB prior to commencing any activity. The state PCB is required to grant, or refuse, consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”)

An “occupier” has been defined as any person who has control over the affairs of a factory or premises or any person in possession of hazardous waste. In terms of the Hazardous Waste Rules, occupiers have been, *inter alia*, made responsible for safe and environmentally sound handling of hazardous and other wastes generated in their establishments and are required to obtain license/ authorisation from concerned PCBs, for handling, generating, collecting, processing, treating, packaging, storing, transporting, using, recycling, recovering, pre-processing, co-processing, offering for sale, or the like of the hazardous and other wastes.

Public Liability Insurance Act, 1991 (the “Public Liability Act”)

The Public Liability Act, imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of ‘hazardous substances’ covered by the legislation has been enumerated by the Government by way of a notification.

The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the Environment Relief Fund, a sum equal to the premium paid on the insurance policies. This amount is payable to the insurer.

INTELLECTUAL PROPERTY LAWS

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957, trademark protection under the Trade Marks Act, 1999 and design protection under the Designs Act, 2000. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

The Trademarks Act, 1999

In India, trademarks enjoy protection under both statutory and common law. Indian trademark law permits the registration of trademarks for goods and services. The Trademarks Act governs the statutory protection of trademarks and for the prevention of the use of fraudulent marks in India. Certification marks and collective marks can also be registered under the Trademarks Act. An application for trademark registration may be made by individual or joint applicants by any person claiming to be the proprietor of a trade mark, and can be made on the basis of either use or intention to use a trademark in the future. Applications for a trademark registration may be made for in one or more international classes. Once granted, trademark registration is valid for ten years unless cancelled. If not renewed after ten years, the mark lapses and the registration has to be restored. While both registered and unregistered trademarks are protected under Indian Law, the registration of trademarks offers significant advantages to the registered owner, particularly with respect to proving infringement. The Trademark (Amendment) Act, 2010 has been enacted by the Government of India to amend the Trademarks Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries, and to empower the Registrar of Trademarks to do so. It also seeks to simplify the law relating to transfer of

ownership of trademarks by assignment or transmission and to bring the law generally in line with international practice.

TAX RELATED LEGISLATIONS

Income-tax Act, 1961

Income-tax Act, 1961 (“**IT Act**”) is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its ‘Residential Status’ and ‘Type of Income’ involved. Every assessee, under the IT Act, which includes a company, is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax and like.

The Customs Act, 1962

The provisions of the Customs Act, 1962 and Rules made there under are applicable at the time of import of goods into India from a place outside India or at the time of export of goods out of India to a place outside India. Any company requiring to import or export any goods is required to get itself registered under this Act and obtain an Importer Exporter Code number.

The Shops and Establishments Legislations

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. Our Company’s offices have to be registered under the shops and establishments laws of the state where they are located.

Goods & Service Tax (“GST”)

Goods and Services Tax (GST) is an indirect tax applicable throughout India which replaced multiple cascading taxes levied by the central and state governments. The GST shall be levied as Dual GST separately but concurrently by the Union (central tax - CGST) and the States (including Union Territories with legislatures) (State tax - SGST) / Union territories without legislatures (Union territory tax - UTGST). The Parliament would have exclusive power to levy GST (integrated tax - IGST) on inter-State trade or commerce (including imports) in goods or services. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017, following the passage of Constitution 122nd Amendment Bill. The GST is governed by a GST Council and its Chairman is the Finance Minister of India. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% and 18%. Besides, some goods and services would be under the list of exempt items.

FOREIGN INVESTMENT REGULATIONS

Foreign investment in India is governed by the provisions of the Foreign Exchange and Management Act (“**FEMA**”) and the rules, regulations, notifications issued under the same, read with the extant Consolidated Foreign Direct Investment Policy, as issued by the Department of Industrial Policy and Promotion (“**DIPP**”). The Reserve Bank of India (“**RBI**”), in exercise of its powers under FEMA, has notified various regulations governing the purchase, sale, allotment or subscription of securities of an Indian company to a non-resident individual or entity. Pursuant to the aforementioned legal framework, no permission is required for investment in sectors falling under the ‘automatic route’ within the specified sectoral caps.

OTHER LAWS

In addition to the above, our Company is also required to comply with the provisions of the Companies Act, SEBI Regulations and rules framed thereunder and other applicable statutes enacted by the Centre or relevant State Governments and authorities for our day-to-day business and operations. Our Company is also subject to various central and state tax laws.

STATEMENT OF SPECIAL TAX BENEFITS

The Board of Directors

Perfect Infraengineers Limited

R-637, TTC Industrial Area,

MIDC, T. B. Road,

Rabale, Navi Mumbai,

Thane, Maharashtra-400708,

India

Subject: Statement of Special tax benefits (“the Statement”) available to PERFECT INFRAENGINEERS LIMITED (“the Company”) and the shareholders of the Company in connection with the proposed rights issue of equity shares of the Company under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) 2018, as amended (“Regulations”)

Dear Sirs,

We, the statutory auditors of the Issuer, have been requested by the Company to issue a report on the special tax benefits available to the Company and its shareholders attached for inclusion in the Draft Letter of Offer in connection with the proposed rights issue of equity shares of the Company (the “Issue”).

The Statement has been prepared by the management of the Company and initialed by us for identification purpose only. The statement showing the current position of special direct tax benefits available to the Company and the shareholders of the Company as per the provisions of Income-tax Act 1961 (“IT Act”) (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2022 and Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 and special indirect tax benefits solely in relation to the Issue as per the provisions of the Goods and Services Tax Act, 2017 (“GST Act”) as amended by Finance Act, 2022, i.e. applicable for the assessment year AY 2023-24 relevant to the financial year 2022-23 for inclusion in the Draft Letter of Offer (“DLOF”) for the issue of rights shares is annexed herewith, which we have initialed for identification purposes only.

These possible special tax benefits are dependent on the Company and the shareholders of the Company fulfilling the conditions prescribed under the relevant provisions of the corresponding tax laws. Hence, the ability of the Company and the shareholders of the Company to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives, the Company may face in the future and accordingly, the Company and the shareholders of the Company may or may not choose to fulfill. Further, certain tax benefits may be optional and it would be at the discretion of the Company or the shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the tax laws. The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure I 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 consultant with respect to the specific tax implications arising out of their participation in the offer. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

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

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

The statement is intended solely for information and the inclusion in the Draft Letter of Offer, Letter of Offer in connection with the rights issue of equity shares of the Company and for submission to Securities and Exchange Board of India, National Stock Exchange of India Limited and is not to be used, referred to or distributed for any

other purpose, without our prior consent, provided the below statement of limitation is included in the Draft Letter of Offer.

Limitation

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 the tax laws 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 the Company and any other person in respect of this Statement, except as per applicable law.

For and on Behalf of JCRC & CO LLP.

Chartered Accountants,

CA Rajeshwari Joshi

Firm Reg. No. 105270W/W100846

M. No. 187779

UDIN: 23187779BGZTXR1398

Place: - Mumbai

Date: 3rd June 2023

STATEMENT OF SPECIAL TAX BENEFITS

The information provided below sets out the possible direct and indirect tax benefits (indirect tax benefits solely in relation to the Issue) in the hands of PERFECT INFRAENGINEERS LIMITED (“the Company”) and the shareholders of the Company in a summary manner only and is not a complete analysis or listing of all potential tax benefits, under the current tax laws presently in force in India. Several of these benefits are dependent upon their fulfilling the conditions prescribed under the relevant direct and indirect tax laws. Hence, the ability of the Company and the shareholders of the Company to derive the direct and indirect tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and the shareholders of the Company may or may not choose to fulfil. Further, certain tax benefits may be optional and it would be at the discretion of the Company or the shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the Tax laws. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the shares 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. The tax benefits stated below are as per the Income-tax Act, 1961 (“IT Act”) as amended from time to time and applicable for financial year 2023-24 relevant to assessment year 2023-24 (AY 2024-25) and special indirect tax benefits solely in relation to the Issue as per the provisions of the Goods and Services Tax Act, 2017 as amended from time to time and applicable for financial year 2023-24.

A. SPECIAL TAX BENEFITS UNDER THE IT ACT IN THE HANDS OF COMPANY AND THE SHAREHOLDERS OF THE COMPANY

1. Direct Tax

Special tax benefits available to the Company under IT Act

- A new section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 (“the Amendment Act, 2019”) w.e.f. April 1, 2020 i.e., AY 2020-21 granting an option to domestic companies to compute corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail specified exemptions/incentives and comply with other conditions specified in section 115BAA. The Amendment Act, 2019 further provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax (“MAT”) on its book profits under section 115JB. The Company has exercised the above option.
- With respect to a resident corporate shareholder, a new section 80M is inserted in the Finance Act, 2020 w.e.f. 1st April 2021, which provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date. The “due date” means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139. Special tax benefits available to the shareholders.
- The Company would be required to deduct tax at source on the dividend paid to the shareholders, at applicable rates. The shareholders would be eligible to claim the credit of such tax in their return of income.
- The non-resident shareholders can offer the dividend income to tax under the beneficial provisions of the Double Taxation Avoidance Agreement, if any. Further, the non-resident shareholders would be eligible to claim the foreign tax credit, based on the local laws of the country of which the shareholder is the resident.
- There are no other special tax benefits available to the shareholders (other than resident corporate shareholder) of the Company arising out of the proposed rights issue
- There are no possible special tax benefits available to the Company under Income-tax Act, 1961 read with the relevant Income Tax Rules, 1962

2. Indirect Tax

Special tax benefits available to the Company and its shareholders under GST Act

Solely in relation to the Issue, there are no special indirect tax benefits available to the Company or its shareholders.

Note:

For the purpose of reporting here, we have not considered the general tax benefits available to the Company or shareholders under the GST and neither any special tax benefits available to the Company or shareholders under the GST Act other than for the Issue.

Notes:

- Our views expressed in this statement are based on the facts and assumptions as indicated in the statement.

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.

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 or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

The above statement covers only certain special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.

This statement has been prepared solely in connection with the Rights Issue under the Regulations as amended.

For and on behalf of the Board of Directors

Perfect Infraengineers Limited

Name: Manisha Mehta

Designation: CFO &
Director

Place: Mumbai

Date: June 21, 2023

SECTION IV – ABOUT OUR COMPANY

OUR INDUSTRY

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we, nor any of our affiliates or advisors nor any other person connected with Issue have verified this information. The data may have been reclassified by us for the purposes of presentation. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect.

*Before deciding to invest in the Equity Shares, prospective investors should read this entire Letter of Offer, including the information in the sections "**Risk Factors**" and "**Restated Financial Statements**" beginning on pages 22 and 89 respectively. Accordingly, investment decisions should not be based on such information.*

INTRODUCTION

Cooling is a cross-sectoral requirement and an essential element for economic growth. There is significant use of cooling in different sectors of the economy such as residential and commercial buildings, cold-chain, refrigeration, transport and industries. The cooling demand in these and other sectors will grow in the future due to the expected economic growth of the country, increasing per capita income, population growth, urbanisation as well as low penetration of air conditioning.

Cooling is also intimately associated with human health, well-being and productivity. The need to ensure thermal comfort for all and access to cooling across the populace is even more important considering the tropical climate of India.

A large part of the country's cooling requirements across sectors is met using active refrigeration and air-conditioning (RAC) technologies, which are based on the use of either synthetic refrigerants or natural refrigerants. Most synthetic refrigerants both have an Ozone Depleting Potential (ODP) and/or a Global Warming Potential (GWP) and are regulated for phase-out/phase-down as per agreed schedules under the Montreal Protocol on Substances that Deplete the Ozone Layer, to which India is a party.

The Montreal Protocol has been a driver for the adoption of environmentally friendly and energy efficient technologies by the industry. In the past, while transitioning away from controlled refrigerants under the Montreal Protocol, many new technologies have been adopted by the industry. The Kigali Amendment to the Montreal Protocol was adopted by the Parties to the Montreal Protocol in October 2016 for phase-down of Hydrofluorocarbons (HFCs). These chemicals are not ozone depleting but have a high GWP values.

Space Cooling Technologies

Space cooling is an important component of the total cooling requirement in the country. Indoor thermal comfort, an essential for physiological and psychological well-being, can be typically provided by active heating or cooling or a combination of both – this is contingent mainly on the local weather and the seasonal variations therein.

Space cooling, which broadly fall within three categories: refrigerant based, and non-refrigerant based, and not-in-kind technologies. Among the refrigerant-based systems, room air conditioner is the dominant technology representing ~80% of the installed capacity, with an increasing share that reaches around 87% in 2037-38. Room air conditioners find predominant application in residential sector, and currently have a fairly low penetration in India, at around 7-9%. Air conditioning systems utilised in the commercial buildings, excluding room air conditioner, can be classified into three major types – chiller system, packaged direct expansion (DX), and variable refrigerant flow (VRF) system.

Cold Chain and Refrigeration

With around 500 pack-houses in India at present, the number is likely to grow to 55,000 in the next decade and to 1,25,000 in the subsequent decade attributing to an energy consumption of 2.4 TWh and 5.2 TWh respectively. The growth of reefer vehicles is related with increase in the pack-houses, and their estimated numbers are 1,35,000 units in the next decade and 4,00,000 units in the subsequent decades from the present 15,000 units. Cold storages

would grow at a marginal rate from the existing 35 Million Metric Tonne (MMT) to 40 MMT in 2028 and to about 48 MMT in 2038. There would be a steady growth in ripening chambers from current 1000 units to 9,000 units in the next decade and to 14,000 units in the subsequent decade. These growth factors align well with the GoI's current and ongoing initiatives like DFI and will help plug the gaps in the immediate and near-term infrastructure requirement. The Intervention scenario would help obviate 12% of refrigerant usage and around 8-12% of associated energy consumption by employing efficient compressors, improved insulation, optimized operations and through retrofitting and retro-commissioning practise.

The holding capacity reflects the volumetric size and the actual throughput will be in multiples of the operational or holding cycles. For example, an average weekly turnaround of reefer transport units will translate the 72,000 tons holding capacity into 3.7 million tons in throughput capacity

Cold-chain Component	Requirement	Created	Gap
Pack-house (MT)	11,21,274	3,984	97 %
Cold storage (Bulk) (MT)	3,41,64,411	3,18,23,700	9 %
Cold storage (Hub) (MT)	9,36,251		
Reefer transport (MT)	4,94,608	72,000	85 %
Ripening chamber (MT)	91,306	8,120	91%

Renewable and Alternate Energy Technologies:

There are a number of renewable and alternate energy technologies that are promising especially for cold chain application. In order to deliver on their potential for a sustained period of time, these technologies will require excellent engineering and installation, high quality components, and stringent commissioning and O&M services. Cooling options using available technology include:

- Solar PV systems
- Solar thermal systems
- Biomass gasifier
- Solar/Biomass Co-generation (Waste heat Recovery)
- Thermal Energy Storage by application of phase change materials (PCM)

National Institute of Solar Energy (NISE), TERI & Thermax developed biomass/biomass-solar hybrid system. The system can provide cold storage facility for storing (at 0°C) about 25 tonnes of fruits and vegetables. The Ministry of Agriculture & Farmers Welfare supports the deployment of such alternate energy technologies in cold-chain development.

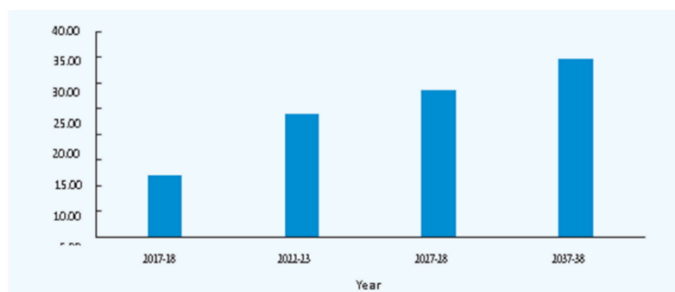
PCM based refrigeration trucks are being manufactured by TESSOL in India and the shift from usage of a diesel generator to PCM can reduce the overall transportation cost by up to 50% for the end user. Pluss Polymers is a leading Indian player in the field of PCMs designed to cater to a wide range of temperatures between -33 to +89°C.

Transport Air Conditioning

With economic growth, the transport sector is also expected to grow in an aligned manner. Rapid urbanisation and increasing income levels will drive up the ownership of passenger cars - majority of which will be air-conditioned - at an expected growth rate of almost 9% annually up till 2040. The total number of buses is estimated to grow from ~2.2 million in 2017-18 to ~ 4 million in 2037-38. The sector's growth will have a huge bearing on the fuel as well as on the refrigerant demand which is estimated to grow from ~6000 metric tonnes (MT) in 2017 to ~25000 MT by the year 2038. Strategic actions towards efficient mobile air-conditioning would lead to a reduction in energy demand as well as refrigerant demand.

With the increase in average income in India over time, railway traffic has also seen a shift towards AC coaches. Also, complete air-conditioned trains have been introduced over the past few years. Parameters considered, and

assumptions made during the analysis are given in the Table 5.4. As per RTOC (2014), refrigerant charge used in railway coaches is around 10 kg which is used to carry out the analysis in this chapter. Figure 5.11 depicts the estimated refrigerant demand in the railway sector. Due to long lifetime of railway coaches only BAU scenario has been projected for refrigerant demand.



In conclusion, it can be said that India is going to foresee substantial demand increase in refrigerant consumption and transport sector will play a major role in the estimated demand. In order to arrive at a comparative analysis among the different modes of the transport sector, Table 5.5 presents the potential of refrigerant demand in all the three categories— passenger cars, buses, and railway coaches. Maximum demand is predicted to come from passenger car segment. The ranges presented in Table 5.5 signify the number of times of refilling the refrigerant which further signifies the leakage rates.

Some recent news

Air conditioner makers like Voltas, LG, Daikin, Panasonic, Blue Star, Hitachi and Haier are witnessing some green shoots in sales this year after two successive years of weak growth and expect a double-digit rise in their sales this season.

Also, the companies are expecting higher adoption of superior technology and power efficient range of inverter airconditioners (ACs) by consumers, with northern India being seen as a bigger demand driver in the market as usual.

AC makers also hope that slightly higher temperatures this summer, as predicted by the Met department, will push sales in the coming months. Consumers are being lured by companies with several offers that include easy finance, extended warranty and free service etc.

Daikin India MD and CEO Kanwaljeet Jawa looks at this season as "very promising" for the residential AC segment and believes that fundamentals are in place and intact.

"The industry is poised at an inflection penetration of 7-8 per cent, and I see it exploding over 10 per cent. The developed nations like Japan, the US, Australia and China are all above 90 per cent penetration. India has a huge potential. I predict the industry growing at 14-15 per cent during FY2019-20," he added.

Besides, companies are expecting higher rural electrification and rise in disposable income and aspiration levels to help ramp up sales figures this year.

They are investing substantially on branding and market to reach consumers in tier III places and rural areas.

"This year the IMD has predicted strong summers, and some of the green shoots are already visible with temperatures rising in southern India in March itself, and markets showing buoyancy in parts of east and west India," Voltas MD and CEO Pradeep Bakshi told PTI.

Panasonic India President and CEO Manish Sharma said there is a progressive shift in the consumer demand for upgraded technologies and energy-efficient range of ACs.

"The progressive shift in the consumer demand for upgraded technologies, energy-efficiency and health and lifestyle value offerings has had a positive rub-off on the air conditioners segment and driving growth of the industry. This coupled with improvement in consumer's discretionary income and rapid electrification are other factors that would contribute to the growth in the industry," said Sharma.

According to him, last year the AC industry saw a slow growth in volume sales while the value sales witnessed marginal increase of around 5 per cent driven by the demand shift towards inverter AC.

Johnson Controls-Hitachi Air Conditioning India CMD Gurmeet Singh said: "Yes, the air conditioning industry in the last couple of years has seen a weak growth but we expect that trend to turnaround this year. Given the timely onset of summer and the prediction of below normal monsoon this year, we expect that the industry would see a double-digit growth over last year."

LG Electronics India VP Home Appliances and Air Conditioners Vijay Babu said that in the January-March quarter, the company has already witnessed around 38 per cent increase in sales (by value) and expect this to be over 40 per cent in the current April-June quarter.

"Now the farthest corner of the country has been electrified and there would be a definite rise in demand from tier III and IV places this season," Babu added.

According to Haier Appliances President Eric Braganza, with changing preferences, AC is no longer a luxury goods and is gradually becoming a necessary appliances.

Haier, which had witnessed a 40 per cent growth in residential AC segment and 50 per cent in commercial AC business in 2018, expects to "continue with the same momentum" with locally relevant product portfolio, Braganza added.

Blue Star Managing Director B Thiagarajan said, "We continue to make significant investment in product development, after sales service, as well as brand building and are confident of enhancing our market share."

The Indian room AC industry market is expected to be of around 4.5 million units with more than 20 companies competing in the space.

(Source: www.ibef.org August 18, 2022)

Daikin, a Japanese electronics giant, has invested Rs. 500 crore (US\$ 62.9 million) to build its third R&D facility in India. Beginning in 2023, the facility in Neemrana, Rajasthan, will be operational.

The centre, which covers 24,000 square metres, will have over 250 engineers working on customized items for the Indian market. 22 testing facilities and labs will be a part of the new centre, which will also improve Daikin's manufacturing capabilities and enable it to meet international export demand.

"We at Daikin strongly believe in constant innovation and this R&D centre will help us to put channelized effort in conceptualization of products that are technologically advanced and sustainable", said Mr. Srinivas Reddy, Vice president, R&D, Daikin India.

Consumer demand is growing for upgraded goods with greater energy efficiency and eco-friendly refrigerants. According to the company, it collaborates with a variety of consultants who are experts in specialised domains including electronics and HVAC design on a global scale.

(Source: www.ibef.org August 18, 2022)

India's Renewable Energy Sector

Immense growth potential

- India has low conventional energy resources compared to its required energy needs driven by a huge population and a rapidly increasing economy. However, India can harness the huge potential of solar energy as it receives sunshine for most of the year. It also has vast potential in the hydro power sector which is being explored across states, especially in the northeast.
- As of February 2023, Renewable energy sources, including large hydropower, have a combined installed capacity of 174.53 GW.
- India is the only country among the G20 countries who is on track to achieve its targets under the Paris Agreement.
- ICRA expects renewable energy capacity addition of 12.5 GW in FY22 and 16 GW in FY23.

Ambitious targets

- India has set a target to reduce the carbon intensity of the nation's economy by less than 45% by the end of the decade, achieve 50 percent cumulative electric power installed by 2030 from renewables, and achieve net-zero carbon emissions by 2070.
- The non-hydro renewable energy capacity addition stood at 4.2 GW for the first three months of FY23 against

2.6 GW for the first three months of FY22

Increasing investment

- The non-conventional energy space in India has become highly attractive for investors and received FDI inflow of US\$ 12.57 billion between April 2000- June 2022.
- More than Rs. 5.2 lakh crore (US\$ 70 billion) has been invested in India's renewable energy sector since 2014.
- India ranked third on the EY Renewable Energy Country Attractive Index 2021

Advantage India

Robust Demand

- In June 2021, Prime Minister Mr. Narendra Modi stated that the renewable energy capacity in India increased by 250% between 2014 and 2021 and the country ranks among the top five globally in terms of installed renewable energy capacity.
- The Central Electricity Authority (CEA) estimates India's power requirement to grow to reach 817 GW by 2030.
- As the economy grows, the electricity consumption is projected to reach 15,280 TWh in 2040 from 4,926 TWh in 2012. Most of the demand will come from the realstate and transport sectors.

Competitive Advantage

- India was ranked fourth in wind power, fifth in solar power and fourth in renewable power installed capacity, as of 2020.
- Power generation from solar and wind projects are likely to be cost-competitive relative to thermal power generation in India in 2025-2030.
- As per the British Business Energy, India ranks third on renewable energy investments and plans.

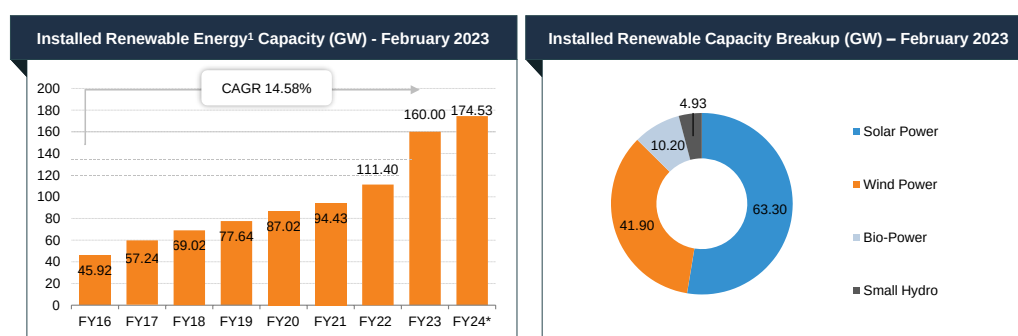
Increasing Investment

- Investment in renewable energy in India reached a record US\$ 14.5 billion in FY22, an increase of 125% over FY21.
- Rising foreign investment in the renewable sector (such as US\$ 75 billion investment from the UAE) is expected to promote further investments in the country

Policy Support

- On November 9, Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman, approved the final Sovereign Green Bonds framework of India. The Paris Agreement's Nationally Determined Contribution (NDC) targets will be further strengthened by this approval, which will also aid in attracting foreign and domestic capital to green projects.
- In February 2022, Nepal and India agreed to form a Joint Hydro Development Committee to explore the possibility of viable hydropower projects

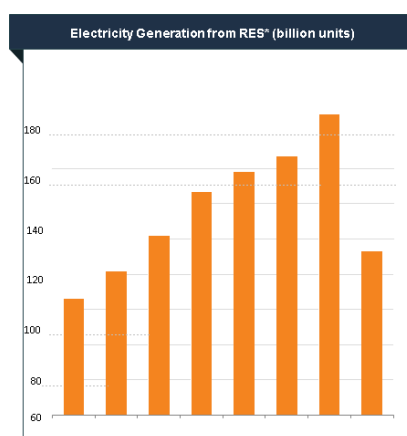
Generation capacity



- The International Energy Agency's World Energy Outlook projects a growth of renewable energy supply to

4,550 GW in 2040 on a global basis.

- Installed renewable power-generation capacity has increased at a fast pace over the past few years, posting a CAGR of 14.58% between FY16 and FY23*. India has 119.09 GW of renewable energy capacity in FY23*.
- 975.60 MW of renewable energy capacity was added in January 2022.
- As of October 2022, 40.6% of the total power installed capacity is from non-fossil based sources, which fulfills the target of 40% by the end of 2022.
- The country plans to reach 450 GW of installed renewable energy capacity by 2030, with 280 GW (over 60%) expected from solar power.
- The ambitious target of 450 GW will provide investment opportunities worth US\$ 221 billion by 2030
- Power generation from renewable energy sources (not including hydro) stood at 16.18 billion units (BU) in September 2022, up from 14.49 BU in September 2021.
- Power generation from renewable energy sources stood at 92.88 billion units (BU) between April-August 2022, up from 79.13 BU in the same period in the previous year.
- The country ranks fourth worldwide in terms of the total installed wind power capacity.
- Off-grid renewable power capacity has also increased.
- From April 2015-February 2021, India has added 117.9 GW of power generation capacity, which includes 64.5 GW from conventional sources and 53.4 GW from renewable sources.
- In July 2021, the Ministry of New and Renewable Energy (MNRE) gave the go-ahead to NTPC Renewable Energy Ltd., a 100% subsidiary of NTPC, to build a 4,750 MW renewable energy park at the Rann of Kutch in Khavada, Gujarat. This will be India's largest solar park to be developed by the country's leading power producer



Solar power generation growth likely to outweigh other sources by 2022

- Due to its favourable location in the solar belt (400 S to 400 N), India is one of the best recipients of solar energy with abundant availability.
- Solar power installed capacity has increased by more than 18 times, from 2.63 GW in March 2014 to 63.3 GW at the end of 2022.
- In 2022, till November, India has added 12 GW of solar power capacity.
- In the first half of 2022, India has saved US\$ 4.2 billion in fuel costs through solar power generation, as well as 19.4 million tonnes of coal.
- India has generated 70.24 BU of solar power in the first nine months of 2022, a 36% YoY increase.
- The Bhadla Solar Park in Rajasthan's Jodhpur district is the largest solar power plant in the world. Spanning 14,000 acres, the power plant is fully operational and has a capacity of 2,250 MW.
- Delhi's Indira Gandhi International Airport (IGIA) has become the first Indian airport to run entirely on hydro

and solar power. Around 6% of the airport's electricity requirement is met from the onsite solar power plants.

- In November 2021, the government announced future plans to increase the funding under the PLI scheme for domestic solar cells and module manufacturing to Rs. 24,000 crore (US\$ 3.17 billion) from the existing Rs. 4,500 crore (US\$ 594.68 million) to make India an exporting nation.
- The world's largest floating 600 MW solar energy project will be constructed at the Omkareshwar Dam in the Khandwa district of Madhya Pradesh at the estimated cost of Rs. 3,000 crore (US\$ 3.84 billion). The project is expected to begin power generation by FY23

Market Size

- As of October 2022, India's installed renewable energy capacity (including hydro) stood at 165.94 GW, representing 40.6% of the overall installed power capacity.
- The country is targeting about 450 Gigawatt (GW) of installed renewable energy capacity by 2030 – about 280 GW (over 60%) is expected from solar.
- The non-hydro renewable energy capacity addition stood at 4.2 GW for the first three months of FY23 against 2.6 GW for the first three months of FY22.
- Solar power installed capacity has increased by more than 18 times, from 2.63 GW in March 2014 to 49.3 GW at the end of 2021. In 2022, till November, India has added 12 GW of solar power capacity.
- Power generation from renewable energy sources (not including hydro) stood at 16.18 billion units (BU) in September 2022, up from 14.49 BU in September 2021.
- With a potential capacity of 363 GW and with policies focused on the renewable energy sector, Northern India is expected to become the hub for renewable energy in India.

Investments/ Developments

According to the data released by the Department for Promotion of Industry and Internal Trade (DPIIT), FDI inflow in the Indian non-conventional energy sector stood at US\$ 12.57 billion between April 2000-June 2022. More than Rs. 5.2 lakh crore (US\$ 70 billion) has been invested in India's renewable energy sector since 2014. According to the analytics firm British Business Energy, India ranked 3rd globally in terms of its renewable energy investments and plans in 2020.

Some major investments and developments in the Indian renewable energy sector are as follows:

- 59 solar parks of aggregate capacity 40 GW have been approved in India.
- Solar Parks in Pavagada (2 GW), Kurnool (1 GW) and Bhadla-II (648 MW) included in top 5 operational solar parks of 7 GW capacity in the country.
- The world's largest renewable energy park of 30 GW capacity solar-wind hybrid project is under installation in Gujarat.
- India offers a great opportunity for investments in RE sector; \$196.98 Bn worth of projects underway in India.
- Wind Energy has an offshore target of 30 GW by 2030 with three potential sites identified.
- In August 2022, Norfund, who manage the Norwegian Climate Investment Fund, and KLP, Norway's biggest pension company, signed an agreement to buy a 49% share of a 420 MW solar power plant in Rajasthan for Rs. 2.8 billion (US\$ 35.05 million).
- India has generated 47.64 BU of solar power in the first half of 2022, a 34% YoY increase.
- Investment in renewable energy in India reached a record US\$ 14.5 billion in FY22, an increase of 125% over FY21.
- Delhi's Indira Gandhi International Airport (IGIA) has become the first Indian airport to run entirely on hydro and solar power. Around 6% of the airport's electricity requirement is met from the onsite solar power plants.
- Ayana Renewable Power Pvt Ltd (Ayana) announced plans to set up renewable energy projects totaling 2 gigawatts (GWs) with an investment of Rs. 12,000 crore (US\$ 1.53 billion) in Karnataka.

- India ranked third on the EY Renewable Energy Country Attractive Index 2021.
- In February 2022, Creduce Technologies-HCPL JV announced winning the bid for India's single largest hydro power carbon credits project with Satluj Jal Vidyut Nigam, which will create more than 80 million carbon credits.
- In February 2022, Husk Power Systems, a renewable energy company working towards rural electrification, secured a US\$ 4.2 million loan from the Indian Renewable Energy Development Agency (IREDA).
- In December 2021, India's largest energy provider, Tata Power, was awarded a contract by the Maharashtra State Electricity Distribution Company Limited (MSEDCL) to set up a 300 MW wind-solar hybrid power plant.
- In October 2021, Reliance New Energy Solar Ltd. (RNESL) announced two acquisitions to build more capabilities. Both acquisitions – REC Solar Holdings AS (REC Group), a Norway-based firm, and Sterling & Wilson Solar, based in India – exceeded US\$ 1 billion and are expected to contribute to Reliance's target of achieving the capacity of 100 GW of solar energy at Jamnagar by 2030.
- In October 2021, Adani Green Energy Ltd. (AGEL) acquired SB Energy India for US\$ 3.5 billion to strengthen its position in the renewable energy sector in India.
- In August 2021, Copenhagen Infrastructure Partners (CIP) signed an investment agreement with Amp Energy India Private Limited to facilitate joint equity investments of US\$ 200 million across Indian renewable energy projects.
- In July 2021, National Thermal Power Corporation Renewable Energy Ltd. (NTPC REL), NTPC's fully owned subsidiary, sent out a tender to domestic manufacturers to build India's first green hydrogen fueling station in Leh, Ladakh.
- The NTPC is expected to commission India's largest floating solar power plant in Ramagundam, Telangana by May-June 2022. The expected total installed capacity is 447MW.
- The Solar Energy Corporation of India (SECI) implemented large-scale central auctions for solar parks and has awarded contracts for 47 parks with over 25 GW of combined capacity.

Government Initiatives

Some initiatives by Government of India to boost India's renewable energy sector are as follows:

- In Budget 2023-24, Green Growth identified is one of the nodes in the SAPTARISHI (seven priorities).
- In Budget 2023-24, pumped storage projects received a push with a detailed framework to be formulated.
- In Budget 2023-24, US\$ 1.02 billion (Rs. 8,300 crore) central sector support for ISTS infrastructure for 13 GW renewable energy from Ladakh was announced.
- On November 19, Prime Minister Mr. Narendra Modi dedicated the 600 MW Kameng Hydro Power Station in Arunachal Pradesh to the country. The project, which covers more than 80 kilometres and costs about Rs. 8,200 crore (US\$ 1 billion), is located in Arunachal Pradesh's West Kameng District.
- On November 9, Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman, approved the final Sovereign Green Bonds framework of India. The Paris Agreement's Nationally Determined Contribution (NDC) targets will be further strengthened by this approval, which will also aid in attracting foreign and domestic capital to green projects.
- In the Union Budget 2022-23, the allocation for the Solar Energy Corporation of India (SECI), which is currently responsible for the development of the entire renewable energy sector, stood at Rs. 1,000 crores (US\$ 132 million).
- In the Budget, the government allocated Rs. 19,500 crore (US\$ 2.57 billion) for a PLI scheme to boost manufacturing of high-efficiency solar modules.
- In February 2022, Nepal and India agreed to form a Joint Hydro Development Committee to explore the possibility of viable hydropower projects.

- In November 2021, at the Cop-26 Summit in Glasgow, Prime Minister Mr. Narendra Modi made a promise to increase India's renewable energy generation capacity to 500 GW, and meet 50% of India's energy needs through renewable means by the year 2030.
- In October 2021, the Ministry of Power announced a new set of rules aimed at reducing financial stress for stakeholders and safeguarding timely cost recovery in electricity generation.
- In August 2021, the Indian government proposed new rules for the purchase and consumption of green energy. The latest rules are a part of government measures to encourage large-scale energy consumers, including industries, to leverage renewable energy sources for regular operations.
- In July 2021, to encourage rooftop solar (RTS) throughout the country, notably in rural regions, the Ministry of New and Renewable Energy plans to undertake Rooftop Solar Programme Phase II, which aims to install RTS capacity of 4,000 MW in the residential sector by 2022 with a provision of subsidy.
- In July 2021, the Ministry of New and Renewable Energy (MNRE) gave the go ahead to NTPC Renewable Energy Ltd., a 100% subsidiary of NTPC, to build a 4,750 MW renewable energy park at the Rann of Kutch in Khavada, Gujarat. This will be India's largest solar park to be developed by the country's leading power producer.
- The Government of India has announced plans to implement a US\$ 238 million National Mission on advanced ultra-supercritical technologies for cleaner coal utilisation.
- Indian Railways is taking increased efforts through sustained energy efficient measures and maximum use of clean fuel to cut down emission level by 33% by 2030.
- The government has spent US\$ 4.63 billion on hydroelectric projects to provide electricity to villages in Jammu and Kashmir from 2018-21.

Road Ahead

India has set a target to reduce the carbon intensity of the nation's economy by less than 45% by the end of the decade, achieve 50% cumulative electric power installed by 2030 from renewables, and achieve net-zero carbon emissions by 2070. Low-carbon technologies could create a market worth up to US\$ 80 billion in India by 2030.

India's target is to produce five million Tonnes of green hydrogen by 2030. Green Hydrogen target is set at India's electrolyzer manufacturing capacity is projected to reach 8 GW per year by 2025. The cumulative value of the green hydrogen market in India could reach US\$ 8 billion by 2030 and India will require at least 50 gigawatt (GW) of electrolyzers or more to ramp up hydrogen production.

India's ambitious renewables energy goals are transforming its power sector. Rising population and widespread electrification in rural homes is fuelling the demand for energy to power homes, businesses and communities. Clean energy will reduce pollution levels as villages become self-sustainable with their use of clean energy. In 2022, India's renewable energy sector is expected to boom with a likely investment of US\$ 15 billion this year, as the government focuses on electric vehicles, green hydrogen, and the manufacturing of solar equipment.

It is expected that by 2040, around 49% of the total electricity will be generated by renewable energy as more efficient batteries will be used to store electricity, which will further cut the solar energy cost by 66% as compared to the current cost. The use of renewables in place of coal will save India Rs. 54,000 crore (US\$ 8.43 billion) annually. Around 15,000 MW of wind-solar hybrid capacity is expected to be added between 2020-25.

As per the Central Electricity Authority (CEA) estimates, by 2029-2030, the share of renewable energy generation would increase from 18% to 44%, while that of thermal is expected to reduce from 78% to 52%. The CEA also estimates India's power requirement to grow to reach 817 GW by 2030.

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section titled “**Forward-Looking Statements**” on page 15 for a discussion of the risks and uncertainties related to those statements and also the section titled “**Risk Factors**” on page 22, “**Restated Financial Statements**” on page 89 and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on page 116 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.

In this section, a reference to the “**Company**” means Perfect Infraengineers Limited. Unless the context otherwise requires, references to “we”, “us” or “our” refers to Perfect Infraengineers Limited.

Unless otherwise indicated, financial information included herein are based on our Restated Financial Statements included in this Letter of Offer beginning on page 89.

Overview

Our Company was originally incorporated in the name and style of Perfect Aircon Engineering Pvt. Ltd. in May 1996 and took over the business of Perfect Engineering, a Proprietary firm which was started in the year 1992 by Mr. Nimesh Mehta, one of our Promoters. The Corporate identification number of our Company is L29190MH1996PLC099583. In the year 2015, our Company made an initial public offering of 25,08,000 Equity Shares of ₹ 10 each at par aggregating to ₹ 576.84 lakhs and listed its Equity Shares on SME Platform of NSE i.e., “EMERGE”. Our Company was listed on NSE with effect from November 20, 2015.

Initially, our Company started as its business of air conditioner repairing, sales & services which, we subsequently diversified as an engineering, procurement and installation (“**EPI**”) contractor, providing turnkey jobs of Heating Ventilation and Air Conditioning (HVAC) and also manufacturing of electrical panels. As an MEP contractor we primarily focus on supply, installation, testing and commissioning of HVAC units and also after sales services such as, under warranty service and annual maintenance contracts. We also generate our income from renting of air conditioners to various organisations such as, multinational corporation, corporate houses, etc. As on the date of this Letter of Offer we serve 850 customers in our MEP vertical and 35 customers under our renting business.

Further, we entered into an exclusive licensing agreement with Suntrac Solar Manufacturing LLC dated June 2017 to manufacture and sell in India the hybrid thermal solar (“**HTS**”) panels and related proprietary products. Since 2017, we believe that we have successfully introduced innovative HTS panels in India and have since sold 350 units representing 4000 tonnages in the domestic and export market among 60 diversified sectoral customers. Our key domestic customers include government and semi-government organisations, public sector undertakings, local municipalities, private and public companies

We commenced our manufacturing operations of electrical panels in 2014 from our manufacturing facility at Rabale, Navi-Mumbai. Our manufacturing facility is spread over 800 sq. meters and is also a certified ISO 9001:2015, till 13th January 2024. Since, our diversification into manufacturing and assembly of HTS panels we have ceased to manufacture electrical panels. As on date of this Letter of Offer, we have an installed capacity to manufacture and assemble 4,000 units per annum on double shift each of 8 hours per day.

We sell our HTS panels in India through a network of 20 resellers/distributors/dealers and also a network of 10 empanelled system integrators who are on-boarded with us which ensures that the end customers are accessing genuine products, uncomplicated purchase process and seamless technical guidance. These system integrators are trained and certified by our Company before they engage with our customers.

Our revenues (net of excise duty), on a consolidated basis, amongst the two major product lines can be broadly classified as under:

(Rs. in lakhs)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Hybrid Thermal Solar panels	612.77	300.94	14.07
EPI services	107.63	128.50	115.52

Our Competitive Strengths

We are an exclusive manufacturer and seller of HTS panel, a technology patented in the US by Suntrac Solar Manufacturing LLC and having strong presence in domestic markets.

We have entered into an exclusive licensing agreement with Suntrac Solar Manufacturing LLC dated 20th June 2017 to manufacture and sell in India the hybrid thermal solar (“HTS”) panels and related proprietary products. Our agreement with Suntrac Solar Manufacturing LLC is valid for a period of 7 years since 20th June 2017 extendable every 3 years. We believe that over the years, we have successfully established the market for HTS in India and have since sold 350 units representing 4000 tonnage in the domestic and export market. Our key domestic customers include government and semi-government organisations, public sector undertakings, local municipalities, private and public companies

We have an extensive presence in the domestic market having pan-India presence in 10 states and 2 union territories through an extensive distributor network of 30 resellers/distributors/dealers and also a network of 15 empanelled system integrators who are on-boarded with us which ensures that the end customers are accessing genuine products, uncomplicated purchase process and seamless technical guidance. These system integrators are trained and certified by our Company before they engage with our customers. As our strategy we empanel and train dealers / distributors / reseller who are technically qualified for engineering services, have existing business connection with our target customers and have strong local presence.

Large order book providing clear visibility on future growth

As of March 31, 2022, we had an Order Book (which includes our products made part of the tender specification which is awarded to EPC contractors / letters of intent/ purchase orders) of ₹ 1500 lakhs, of which ₹250 lakhs comprise projects/ operations which are already under execution and ₹1250 lakhs comprise projects which are yet to be executed.

Through the Order Book, we aim to achieve higher customer diversification across type (by increasing sales to government and private sector, including OEMs) and geographies (through exports to African countries).

Experienced promoters, Management Expertise and Skilled Workforce

Our Promoters, Nimesh Mehta and Manisha Mehta is having good experience of several years in the EPI, HVAC and HTS panel. As all the Promoters are having strong educational background, technical knowledge, leadership qualities and marketing skills leads the Quality, Research Development, Marketing, Purchase and Imports Exports departments of the Company. With their diligence, the company has established a presence in the HTS industry in India. For further details regarding the educational qualifications and experience of our Board of Directors and our Key Managerial Personnel please refer to chapter titled “***Our Management***” beginning on page 79 of this Letter of Offer. We believe that our management teams experience and their understanding of the heating ventilation air conditioning industry will enable us to continue to take advantage of both current and future market opportunities. It is also expected to help us in addressing and mitigating various risks inherent in our business.

Our Business Strategies

We intend to pursue the following principal strategies to leverage our competitive strengths and grow our business:

Strengthening our business through product innovation and expanding our product application

Our product, HTS panels finds its application in centralised chiller systems and ductable roof top air conditioners. HTS panels are disruptive technology in air conditioning which uses the thermal energy of the sun and reduces the compressors energy consumption. As a strategy we have over the years ventured into new and innovative products and shifted our focus from being a pure play EPI vendor to a technology-based manufacturer of HTS panels in India under the exclusive licensing agreement with Suntrac. Further, our arrangement with Suntrac enables us to experiment on related proprietary products that they develop. This arrangement gives us access to a range of new and innovative product.

Furthermore, we are constantly pursuing opportunities and product segments which leverage our existing technology platform and know-how. In particular, we currently find application for our products in chiller systems and ductable roof top air conditioners which we, intend to expand to newer applications like cold storage systems.

We also plan to enter into tie-ups and arrangement with original equipment manufacturers which we believe would help the end users through installation of energy efficient air conditioning and the OEM’s by supplying a bundled product like hybrid VRF.

Strengthening up our business through working more on the trade channels and increasing the width of distribution

We see a big opportunity to grow further and faster, provided we can aid the awareness and trial generation effort through campaigns, complemented by our effort in the channels for availability of required quantity and quality. While we currently have 30 distributors/dealers/retailers spread across the country, we plan to increase the number of our service partners over the years. Our marketing and engagement plan addresses the key important drivers that would help us reach our consumers in a more effective manner. The investment here would be in improving in channel awareness, visibility, training, trade engagement and consumer engagement programs.

Focus on increasing operational and financial efficiency

We plan to continue focusing on operational and financial efficiency by investing in our design and development team and their engineering efforts. We also focus on recruiting, training and retaining a talented workforce and offer training and career opportunities. In addition, we continue to focus on our risk assessment matrix and stay updated with new technology. Through our market approach, we intend to continue building strong customer and stakeholder relationships and realize operational efficiencies.

We intend to establish a sustainable O&M business division, which will be aimed at providing forward integrated full life cycle services to our customers. Our commitment to the long-term performance of our products is exemplified by our approach of ensuring that we invest in good quality equipment at the outset, which also leads to a low cost per project over the life-cycle of each project. We will continue to enhance our O&M practices by moving from conventional reactive maintenance to predictive maintenance through the use of real-time analytics. This will enable us to monitor multiple sites on a real-time basis and analyze data to efficiently identify potential areas of concerns to take preventive measures before actual maintenance issues occur, as well as to track comparative performance across sites.

We also plan to apply the predictive maintenance in a variety of other operations, including our dust-detection systems (which we use to determine when our HTS panels need to be cleaned based on the actual dust accumulation and its impact) and solar concentrator monitoring systems (to calculate the delta heat in refrigerant gas). These technologies would help our HTS panels perform with lower downtime and achieve better energy savings.

Our business divisions

Our business comprises three primary divisions: (i) manufacture and assembly of HTS panels; and (ii) EPI and O&M services which serve as value added services to our EPI business.

Manufacture and assembly of HTS panels

Our manufacturing facilities produce highly efficient HTS panels, utilising controller and technologies from Suntrac, USA. HTS panels are disruptive renewable technology in air conditioning. Our hybrid thermal panels utilize the solar energy. The HTS panel harnesses heat and pressure from the sunlight and is applied to the refrigerant, which is returned from the panel outlet to the HVAC unit's condenser, thus resulting in reducing the compressor's energy consumption. The key characteristic of the HTS panels is stated herein below:

- It does not generate electricity rather reduces the energy consumption of air conditioners.
- It uses thermal heat from the sun and saves electricity consumption in air conditioners.
- It utilizes <10% of the space compared to Normal PV Panels.
- Less HP is required for fresh installation reducing the capex cost for new installations.
- 100% made in India for Atmanirbhar Bharat

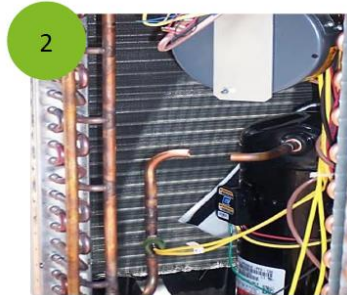
We supply our HTS panels through our distributors/dealer and retailers spread across the country. The installation process is carried out by our empanelled system integrators.

Our manufacturing and installation process of our HTS panels are detailed herein under:

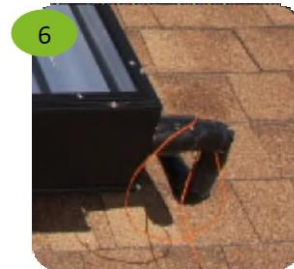
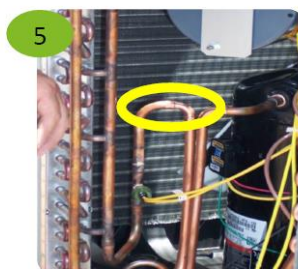
1. Recover the system's refrigerant into a clean and vacuumed recovery cylinder (to be reinstalled back into the system).
2. Cut the Compressor discharge line between leaving the compressor and entering the condenser, as shown in figure 2 (NOTE: Make sure the cut is right before the condenser and after temperature sensors/ oil recovery units, post compressor)

NOTE: In case of hot and cold machine, the cut will come before the condenser as well as 4-way valve.

3. The Panel, from the factory, is pressurized with Nitrogen gas. When the Panel is installed, the copper pipe will have to be cut. Nitrogen gas should exit the pipes when it is first cut, if it does not, please contact your "Perfect Dealer".



4. Connect the refrigerant piping from the compressor discharge line to the Perfect Thermal Panel inlet (TOP).
5. Connect the refrigerant piping from the solar panel exit (Lower) to the condenser.
6. Insulate copper piping for heat retention and safety. (Compressor Discharge pipes are hot!)
7. Care should be taken so that the copper pipes have proper support. The vibrations of the machine should not be transferred to the panel.



8. Evacuate the refrigerant system. (Recommended vacuum to 500 microns or lower). Make sure there are NO Leaks in the refrigerant system.
9. Total gas to be added to the system = The recovered refrigerant (in step 1) + gas as per length of copper pipe used for panel (as per AC manufacturers charging chart) + 400gms for each Perfect Thermal Panel
10. Give single phase power supply to the Panel (keep supply on permanently)
11. With the Panel glass covered with cardboard or other UV resistant cover (silver tarp), Start the system.
12. Once the system is operating per the manufacturer's specs, remove cardboard or UV cover.

Recommended Copper Pipe Size:

Important Note: Ideally, the same radius copper pipe is supposed to be used as the discharge line of the compressor. If the radius is not known the below values can be used.

- Upto 12 HP: 12 mm VRV Grade pipe, 0.8 mm thick
- Upto 18 HP: 15 mm VRV Grade pipe, 1 mm thick
- Upto 28 HP: 19 mm VRV Grade pipe, 1 mm thick
- Make recommended: Rajco, Mandev, Mehta Tubes
- Use 19mm wall thickness EPDM/Nitrile Rubber insulation

EPI

We are also engaged in the business of engineering, procuring and installation (“EPI”) of HVAC and VRF systems. We work closely with OEMs to procure the requirements of our customers. As of March 31, 2023 we have installed more than 175 HVAC and VRF systems across 50 sites in India and more than 8 HVAC and VRF systems across 2 sites in African country of Nigeria.

Our skilled and dedicated EPI team ensures the completion of each HVAC and VRF project from concept to commissioning. We primarily use products manufactured by their-party manufacturers / OEM in our EPI projects. We are a comprehensive EPI solutions provider which is aimed at deploying world class technology to design, install and commission HVAC and VRF projects. Key components of our EPI value chain are:

Design & Engineering: Through our in-house teams, we offer engineering solutions to our clients, with an aim to provide quality HVAC plants aimed at optimizing the life cycle cost of electricity. Our involvement ranges from concept, engineering, execution and commissioning. Our dedicated teams work in cohesion to deliver customized solutions to our customers keeping a delivery focused approach.

Procurement: We have a network of vendors and suppliers spread across India and abroad. Our purchase team manages the supply of the entire EPI package including HVAC, etc which is required for turnkey installation of projects.

Installation: We have an experienced project execution team, having completed in excess of 175 HVAC and 50 VRF installation.

Quality Assurance: Our quality management system entails rigorous testing and quality assurance processes, and continuous quality improvement. We follow a set process to identify and qualify new vendors and evaluate performance to check their ability to consistently produce quality products.

After sale services

We have trained site engineers, site managers to execute the projects. The purchase department procures various components/ machines/ spares required for the projects. Logistics relating to the materials including; air-conditioners, spares and other components required for our various ongoing projects is also handled by this department. The division combines the requirement from each ongoing project and places an order to our suppliers. This division assures in time delivery of all the materials required at each our site with the help of our in-house / hired transport vehicles.

We have a qualified team of technical engineers to prepare Good For Construction (GFC) drawings, take all necessary approvals from appointed consultants/ Project Management Consultants (PMCs) appointed by end customers. Our technical team visits all sites for technical discussion during the course of project execution. Billing engineers meticulously note down weekly progress of the projects and complete site data is transferred to the billing division to prepare running bills.

Infrastructure

Our manufacturing facility is situated at R-637, TTC Industrial Area, MIDC, T. B. Road, Rabale, Navi Mumbai, Thane, Maharashtra-400708, India and is spread over an area of 4305.56 sq. ft. Our manufacturing facility is equipped with all necessary machineries, equipment's and tools. Our key machinery and equipment are as stated below:

Sr. No.	Name of machinery and equipment	Quantity	Capacity Description / Other Parameters
1	Crane	1	10 Tonne
2	air conditioning test Bench	3	NA
3	Chain pulley block	1	3 Tonne
4	Air compressor	1	NA
5	Recovery booth	1	NA
6	Lock Former machine	2	NA
7	Powder coating booth machine - heater	1	NA
8	Spray machine	1	NA
9	Stand drill machine	2	NA

10	G.I bending Machine	3	NA
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Raw Materials, Utilities and Infrastructure Facilities

Raw materials

Our major material requirement consists of high value items and low value items. The primary raw materials essential to manufacture our product are aluminium components, like reflectors, etc, copper frames, electrical components, Teflon parts, controllers, electronic components, motors, etc which are available from various domestic and international vendors/suppliers.

We have arrangement with third-party forging and casting manufacturer for supply of aluminium and copper components as per our specifications. We provide these third-party vendors with dies and moulds which is used for manufacturing our specific components. This arrangement ensures quality of our products.

Raw materials are procured and stored based on production planning, inventory and dispatch schedules for optimum working capital utilisation. We purchase our raw materials from multiple suppliers on a purchase order basis. We do not have long term contracts for the supply of our raw materials and we procure required raw materials through purchase orders. We have long established relationships with a number of such suppliers, and such long established relationship ensure stable supply without dependency on a single source. However, as per our agreement with Suntrac we procure controllers which is a key component of our HTS products. On receipt of the raw materials from the suppliers, our quality control team tests the materials and only after such testing of the materials, the quality control department confirms whether the material is to be approved or rejected.

For our HVAC and VRF requirements, we purchase these products based on our customer request from authorised dealers of the OEM's.

Water

The present water requirement at our factory is around 1000 liters per day which is being catered through the local MIDC pipe line.

Power

We have a sanctioned load of 20 KW power from Maharashtra State Electricity Distribution Co. Limited at our factory premises at Rabale (Navi Mumbai), which is sufficient to meet our power requirements. Our manufacturing processes require uninterrupted supply of power in order to ensure that we are able to manufacture our products in time. To meet power failure exigencies, our color quoting chambers which is our key manufacturing process is operated through LPG based process to ensure uninterrupted supply.

Effluent Treatment

Our manufacturing process does not generate any effluent. However, our Company is approved to use the CETP facility available in the location where our manufacturing facility is situated.

Plant and Machinery

Our manufacturing facility have all the key ingredients for a successful manufacturing unit. We have made all endeavours in procuring the best equipment within the financial resources available that can effectively cater to customer needs.

The major equipment and machinery installed at our manufacturing facility includes are Crane 10 ton (1 no.), G.I bending Machine (3 no.), Lock Former machine (2 no.), Powder coating booth machine - heater (1 no.), Crane - 3 ton (1 no.), Spray machine (1 no.), Stand drill machine (2 no.), Recovery booth (1 no.), Air compressor (1 no.), Cutting machine 14" (1 no.), Weighing machine (2 no.), Chain pulley block - 3 ton (1 no.), Bakelite cutting machine (1 no.), air conditioning test Bench (3). Apart from this our maintenance department is equipped with necessary tools, spares, equipment's, testing equipment's and vehicles.

Sales

We have a separate marketing team for government and non-government business. Our sales & marketing team keeps track on upcoming projects. We have good relationship with Project Management Consultants who refer clients on regular basis. We also sell our products through our network of distributors/dealers and retailers.

Collaborations

As on the date of this Letter of Offer, we have entered into technical collaboration arrangements with Suntrac Solar Manufacturing LLC.

Human Resources

We believe our employees are one of our most important assets and critical to maintaining our competitive position in our key geographical markets and in our industry. As on March 31, 2023 we had 19 full time employees.

The following table sets forth a bifurcation of the number of our employees as of March 31, 2023:

Category	Present
Managerial	9
Skilled	8
Semi skilled	0
Unskilled	2
Total	19

Technology & Inputs

The present technologies used in all our process are proven, well known and fairly accessible. No significant changes are expected in the present technology in our processes. However, all our process requires suitable modifications/ adjustment for efficiency from time to time, which are easily performed without having any effect on the overall performance of the units.

Competition

Our Industry is diversified including both large established players and small unorganized players. We have to compete with organized as well as unorganized sector on the basis of availability of product, product quality, product range and services. Further, there are relatively low entry barriers in this industry and any expansion in capacity of existing manufacturers would further intensify competition. We face competition from big conglomerate also.

In our HTS vertical, there are no major players in India and hence we are not subject to significant competition. However, HTS as a product is in the early stage of its product cycle and its acceptance are pending before various OEMs.

Capacity and Capacity Utilization

Set forth below are the details of the installed and utilized capacity at our manufacturing units for Fiscal 2023, Fiscal 2022 and Fiscal 2021.

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Installed Capacity	4000	4000	4000
Utilised Capacity- Cumulative	400	350	200
% of utilised capacity to installed capacity	10%	8.75%	5%

**based on single shift of 8 hours each*

***As certified by Mr. Shripad Vishnu Kale, Chartered Engineer*

Export Obligation

Our Company does not have any export obligation as on date.

Intellectual Property

We have registered certain business names and logos as trademarks under various classes with the Registrar of Trademarks in India under the Trade Marks Act, 1999.

Property

We carry out business operations from the following properties:

Sr. No.	Particulars	Ownership / Leased	Area	Date of Sale Deed/Agreement & Period of lease	Usage
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1.	Plot No. R-637, TTC Industrial Area, Rabale, Thane Belapur Road Navi Mumbai	Leased	800 sq. mtr.	Rent agreement dated 1 st October 2021 for 48 months	Registered office & Manufacturing units
2.	Property no. 119 S.No. 35 Hissa no.02, S.No. 36 Hissa No. 4, Hill Street, Village Dadave, Taluka Mulshi, Dist. Pune	Leased	2167.60 Sq. Ft.	Purchase agreement dated July 05, 2010 period of lease 999 years	Vacant
3.	Shop No. G-12, Ground Floor “EDM” Complex at Plot No. 1, Kaushambi Colony, Distt. Ghaziabad, Uttar Pradesh	Owned	470 sq. mtrs	June 20, 2013	vacant

OUR MANAGEMENT

Our Board of Directors

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 Letter of Offer, our Board comprises 5(Five) Directors, of which 1 (one) Director is Managing Director, 1(one) Director is Executive Director who is also the woman director and 3(Three) Directors are Independent Directors. 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.

Set forth below are details regarding our Board as on the date of this Letter of Offer:

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original date of appointment, Change in designation and Period of Directorship`	Other Directorships in Companies
NIMESH MEHTA Designation: Managing Director DIN: 00247264 Date of Birth: October 26, 1965 Age: 57 years Occupation: Business Address: 1905, Building No. 148, Rosella, Mayuresh CHS Pant Nagar, Ghatkopar East, Mumbai-400075, Maharashtra, India Nationality: Indian Original Date of Appointment: May 16, 1996 Period of Directorship: For a term of 5 consecutive years with effect from December 01, 2020. Liable to retire by rotation.	Private Companies: NIL Public Companies: NIL LLP NIL
MANISHA MEHTA Designation: Executive Director & CFO DIN: 00247274 Date of Birth: December 22, 1968 Age: 54 years Occupation: Business Address: 1905, Building No. 148, Rosella, Mayuresh CHS Pant Nagar, Ghatkopar East, Mumbai-400075, Maharashtra, India Nationality: Indian Original Date of Appointment: December 01, 2022 Period of Directorship: Liable to retire by rotation.	Private Companies: NIL Public Companies: NIL LLP NIL
GURINDERKAUR MULTANI Designation: Non-Executive Independent Director DIN: 03036594 Date of Birth: January 10, 1963 Age: 60 years Occupation: Business Address: 202, Harshwardhan off Versova Link Road Sea Face, Andheri West, Mumbai-400058, Maharashtra, India Nationality: Indian Original Date of Appointment: December 21, 2020 Period of Directorship: For a term of 5 consecutive years with effect from February 21, 2020 and shall not be liable to retire by rotation.	Private Companies: 1. Kaybee Developers Private Limited 2. Iosis Spa and Wellness Private Limited Public Companies: NIL LLP NIL
RAKESH CHAUHAN Designation: Non-Executive Independent Director DIN: 08974505 Date of Birth: October 01, 1974	Private Companies: 1. Hisense India Private Limited Public Companies:

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original date of appointment, Change in designation and Period of Directorship`	Other Directorships in Companies
Age: 48 years Occupation: Business Address: B-5/84, First floor, Safdarjung Enclave VTC, Safdarjung Enclave, South West Delhi-110029, India Nationality: Indian Original Date of Appointment: December 21, 2020 Period of Directorship: For a term of 5 consecutive years with effect from November 14, 2020 and shall not be liable to retire by rotation.	NIL LLP NIL
RAJ SINGH Designation: Non-Executive Independent Director DIN: 09437623 Date of Birth: April 28, 1962 Age: 61 years Occupation: Business Address: 304, Tulip, Regency Garden, Near Utsav Chowk, Sector 06, Kharghar, Raigarh, Panvel-410210, Maharashtra, India Nationality: Indian Original Date of Appointment: December 04, 2021 Period of Directorship: For a term of 5 consecutive years with effect from December 04, 2021 and shall not be liable to retire by rotation.	Private Companies: NIL Public Companies: NIL LLP NIL

Brief Biographies of our Directors

Nimesh Mehta is one of the Promoters and Managing Director of our Company since December 1, 2020. He holds a bachelor's degree in Mechanical engineering from the University of Mumbai, Masters in Management from Jamnalal Bajaj Institute of management. His area of expertise being Mechanical, electrical and plumbing (MEP), contracts heating ventilation and air conditioning (HVAC) projects and Civil work which forms the main business of the Company.

Manisha Mehta, is one of the Promoters the Executive Director of our Company. She holds a commerce degree from R A Podar College and is a qualified Chartered Accountant articulated from Lovelock & Lewes (Coopers & Lybrand) with industrial training in Voltas Ltd. She has more than 20 years of experience in bill discounting, bridge financing, project financing, inter-corporate deposits, import letter of credit mobilization, direct and indirect taxes and all statutory compliances. She is associated with the company since inception and her expertise and experience is of great value to the Company.

Gurinderkaur Multani, is a Non-Executive Independent Director of our Company since December 21, 2020. She is a post graduate in MA (English) from Punjab University. She has experience of over 25 years in administrative and logistics planning. and is currently Group General Manager of Bawa Group of Hotels, managing the complete operations of it including finance and Human Resources.

Rakesh Chauhan is a Non-Executive Independent Director of our Company since December 21, 2020. He possesses a degree in bachelor of science, major in integrated physics from Ramjas College, University of Delhi in the year 1995. He has over 5 years of experience in the field of sales and marketing.

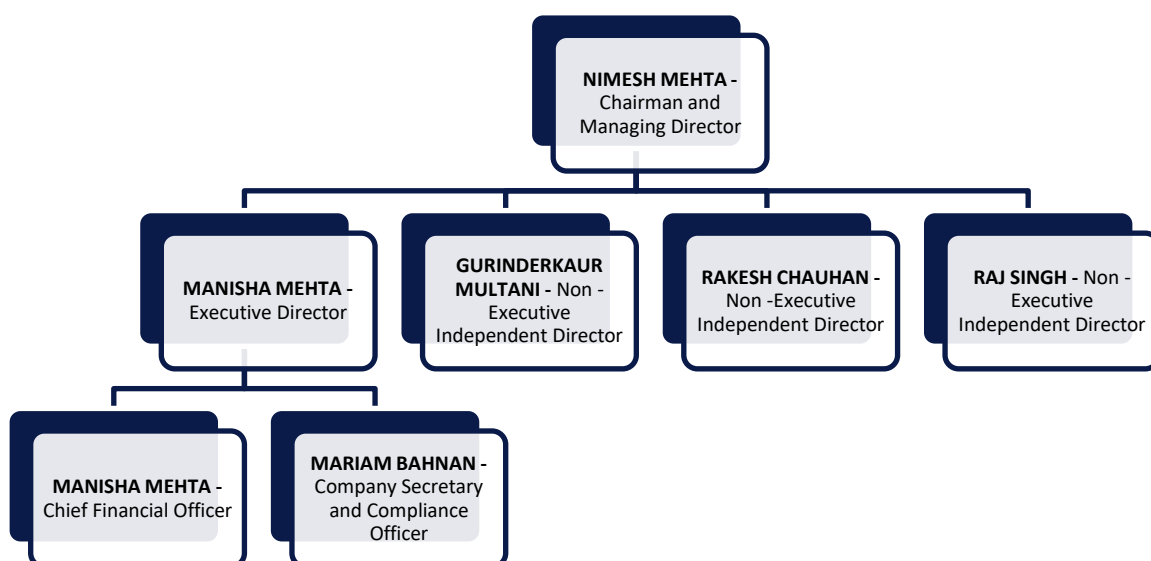
Raj Singh is a Non-Executive Director of our Company since December 04, 2021. He possesses a degree in bachelor of science and has also completed advance certificate in maritime operations. He has adequate experience in the field of human relation and management.

Confirmations

- None of our Directors is or was a director of any listed companies, whose shares have been or were suspended from being traded on any stock exchanges having nationwide terminals, during the five (5) years preceding from the date of this Letter of Offer, during their term of directorship in such company.

- None of our Directors is or was, a director of any listed companies, which has been or were delisted from any stock exchange(s), during the five (5) years preceding from the date of this Letter of Offer, during their term of directorship in such company.
- None of our Directors have been debarred or 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.
- None of our Directors, have been identified as Wilful Defaulters or Fraudulent Borrowers.
- None of our Directors are declared as Fugitive Economic Offenders.
- None of our Directors are, in any manner, associated with the securities market.
- The present directors in our Board are not related to each other within the meaning of section 2(77) of the Companies Act, 2013 except Nimesh Mehta, being spouse of Manisha Mehta.
- We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers, or others, pursuant to which any of our directors were selected as Directors or members of the senior management.
- Except statutory benefits upon termination of their employment in our Company on retirement, no officer of our Company, including our Directors and the Key Managerial Personnel has entered into a service contract with our Company, pursuant to which they are entitled to any benefits upon termination of employment.

Management Organisation Structure



Corporate Governance

The provisions of the Companies Act, 2013 with respect to corporate governance are applicable to us.

We are in compliance with the requirements of the applicable provisions of the Act and the Regulations, in respect of corporate governance including constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Committees, as required under the law.

Our Board undertakes to take all necessary steps to continue to comply with all the requirements of the Companies Act, 2013. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

Committees of our Board

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations, if applicable:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee

Details of each of these committees are as follows:

Audit Committee

Our Audit Committee was last reconstituted by our Board of Directors in their meeting held on December 04, 2021, with the following members forming a part of the said committee:

Name	Designation	Chairman/Member
Rakesh Chauhan	Non-Executive Independent Director	Chairman
Raj Singh	Non-Executive Independent Director	Member
Gurinderkaur Multani	Non-Executive Independent Director	Member
Manisha Mehta	Executive Director and CFO	Member

The powers of the Committee shall include the following:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

The role of the Committee shall include the following:

- 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;
- recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - i. 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;
 - ii. changes, if any, in accounting policies and practices and reasons for the same;
 - iii. major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. significant adjustments made in the financial statements arising out of audit findings;
 - v. disclosure of any related party transactions;
 - vi. modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 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 Draft Letter of Offer / 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;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the company with related parties;

- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 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;
- discussion with internal auditors of any significant findings and follow up there on;
- 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;
- 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;
- 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;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- carrying out any other function as is mentioned in the terms of reference of the audit committee.
- Further, the Audit Committee shall mandatorily review the following information:
 - management discussion and analysis of financial condition and results of operations;
 - management letters / letters of internal control weaknesses issued by the statutory auditors;
 - internal audit reports relating to internal control weaknesses; and
 - the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of significant related party transactions (as defined by the audit committee), submitted by management;
- statement of deviations:
 - a) half yearly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
 - b) annual statement of funds utilized for purposes other than those stated in the Draft Letter of Offer/notice in terms of Regulation 32(7).

The frequency of meetings, powers of Audit Committee shall be as per the provisions of the companies Act, 2013, SEBI LODR and other applicable rules and regulations.

The Company Secretary, shall act as the secretary to the Committee

Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was last reconstituted by our Board of Directors in their meeting held on December 04, 2021. The members of the said committee are as follows:

Name	Designation	Chairman/Member
Rakesh Chauhan	Non-Executive Independent Director	Chairman
Raj Singh	Non-Executive Independent Director	Member
Gurinderkaur Multani	Non-Executive Independent Director	Member
Manisha Mehta	Executive Director and CFO	Member

The role of the Committee shall include the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a) use the services of an external agencies, if required;
 - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and c. consider the time commitments of the candidates.
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- 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 of directors their appointment and removal.
- To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- To recommend to the Board all remuneration, in whatever form, payable to senior management.

The frequency of meetings, powers of Nomination and Remuneration Committee shall be as per the provisions of the Companies Act, 2013, SEBI LODR and other applicable rules & regulations.

The Company Secretary, shall act as the secretary to the Committee.

Stakeholders' Relationship Committee

Our Stakeholders Relationship Committee was last reconstituted on December 04, 2021. The members of the said committee are as follows:

Name	Designation	Chairman/Member
Rakesh Chauhan	Non-Executive Independent Director	Chairman
Raj Singh	Non-Executive Independent Director	Member
Gurinderkaur Multani	Non-Executive Independent Director	Member
Manisha Mehta	Executive Director and CFO	Member

The role of the Committee shall include the following:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- Review of measures taken for effective exercise of voting rights by shareholders
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;

- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports or statutory notices by the shareholders of the company; and
- To carry out any other function as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as and when amended from time to time.
- The frequency of meetings, powers of Stakeholders Relationship Committee shall be as per the provisions of the Companies Act, 2013, SEBI LODR and other applicable provisions.
- The Company Secretary, shall act as the secretary to the Committee.

KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Following are the Key Managerial Personnel of our Company:

Details of Key Managerial Personnel and Senior management Personnel

In addition to our Executive Directors, viz, Nimesh Mehta and Manisha Mehta whose details have been provided under paragraph above titled '*Brief Biographies of our Directors*', given below are the details of our Key Managerial Personnel as on the date of filing of this Letter of Offer:

Maryam Bahnan - Company Secretary and Compliance Officer

Qualifications: Associate Member of ICSI

Age: 30 Years

Experience and expertise in specific functional areas: Secretarial and compliance matters

Relationship Between Key Managerial Personnel / Directors

None of the Key Managerial Personnel are related to each other except for Nimesh Mehta, who is spouse of Manisha Mehta

STATUS OF EACH KEY MANAGERIAL PERSONNEL, AS A PERMANENT EMPLOYEE OR OTHERWISE

All our Key Managerial Personnel are permanent employees of our Company.

OUR PROMOTERS

Our Promoters are Nimesh Mehta and Manisha Mehta. As on date of this Letter of Offer, our Promoters hold, in aggregate of 37,04,404 Equity Shares representing 33.48% of our issued, subscribed and paid-up equity share capital, respectively.

Brief Description of Promoters:

Nimesh Mehta

Nimesh Mehta, aged 57 years, is the Managing Director and Promoter of our Company. He holds 19,01,572 Equity Shares constituting 17.19% of our issued, subscribed and paid-up equity share capital. He holds a bachelor's degree in Mechanical engineering from the University of Mumbai, Masters in Management from Jamnalal Bajaj Institute of management. His area of expertise being Mechanical, electrical and plumbing (MEP), contracts heating ventilation and air conditioning (HVAC) projects and Civil work which forms the main business of the Company.

Manisha Mehta

Manisha Mehta, aged 54 years, is the Executive Director, CFO and Promoter of our Company. She holds 18,02,832 Equity Shares constituting 16.29% of our issued, subscribed and paid-up equity share capital. She holds a commerce degree from R. A. Podar College and is a qualified Chartered Accountant articled from Lovelock & Lewes (Coopers & Lybrand) with industrial training in Voltas Ltd. She has more than 20 years of experience in bill discounting, bridge financing, project financing, inter-corporate deposits, import letter of credit mobilization, direct and indirect taxes and all statutory compliances. She is associated with the company since inception and her expertise and experience is of great value to the Company.

Confirmations

1. Our Promoters have not been declared as a Wilful Defaulter or a Fraudulent Borrower by the RBI or any other governmental authority and there are no violations of securities laws committed by it in the past or is currently pending against it.
2. Our Promoters have not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
3. Our Promoters have not 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. None of our Promoters is and has never been a promoter, director, 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.

Save and except as disclosed in “***Outstanding Litigations and Material Developments – Litigation involving our Promoters***” on page 124, there are no litigation or legal action pending or taken by any Ministry, Department of the Government or statutory authority during the last 5 years preceding the date of the Issue against our Promoters.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board and approved by our 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 to working capital requirements, profit earned during the Fiscal, capital expenditure requirements, cash flow to meet contingencies, liquidity, 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 the loan or financing arrangements our Company may enter into to finance our fund requirements for our business activities.

All dividend payments are made in cash to the Shareholders of our Company. Our Company has not adopted any Dividend Distribution Policy as on the date of this Letter of Offer since the requirements under Regulation 43A of SEBI Listing Regulations are not applicable to the Company. However, depending upon the availability of distributable profits and fund flow, dividends maybe recommended by the Board of Directors and shall pay dividends in accordance with the provisions of the Companies Act, 2013, the Memorandum of Association and Articles of Association and other Applicable Laws.

Our Company has not declared and/or paid any dividend on the Equity Shares during the last three Fiscal years and till the date of this Letter of Offer.

SECTION V – FINANCIAL INFORMATION

RESTATED FINANCIAL STATEMENTS

Particulars	Page No.
Restated Standalone Financial Statements for the year ended March 31, 2023, March 31, 2022 and March 31, 2021	90



INDEPENDENT AUDITOR'S EXAMINATION REPORT ON THE RESTATED FINANCIAL INFORMATION

The Board of Directors
Perfect Infraengineers Limited,
R-637, TTC Industrial Area, MIDC,
Rabale, Mumbai-400708

Madam/ Sir,

1. We have examined the Restated Financial Information of Perfect Infraengineers limited (the "Company") which comprising the Restated Statement of Assets and Liabilities as at 31 March, 2023, 31 March, 2022 and 31 March 2021, the Restated Statements of Profit and Loss, the Restated Statement of Changes in Equity, the Restated Cash Flow Statement for the year ended on March 31, 2023, March 31, 2022 and March 31, 2021, Significant Accounting Policies and other explanatory information (collectively the "Restated Financial Information"), prepared in accordance with the Indian GAAP (herein referred to as AS) and other relevant provisions of the act and annexed to this report for the purpose of inclusion in the Letter of Offer (the Offer document), prepared by the Company in connection with its proposed right issue of its equity shares. This restated financial information has been prepared by the Company and approved by Rights Issue Committee at their meeting held on 23rd June 2023 and have been prepared by the company in accordance with the applicable requirements of:
 - a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
 - b) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

BOARD OF DIRECTOR'S RESPONSIBILITY FOR THE RESTATED FINANCIAL 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 document to be filed with Securities and Exchange Board of India (SEBI), National Stock Exchange of India Limited (NSE) and the Registrar of Companies, in connection with the proposed rights issue. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation and presentation mentioned in "Significant Accounting Policies" included in the Restated Financial Information. The Board of Directors of the company is responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

AUDITOR'S RESPONSIBILITY:

3. We have examined such Restated [Consolidated] Financial Information taking into consideration:

- a) The terms of reference and terms of our engagement agreed upon with you in accordance with you in connection with the proposed Right issue of Equity Shares of the Company.
- b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
- d) The applicable requirements of the SEBI 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 proposed right issue.

4. Restated Financial Information have been compiled by the management of the company from:

- a) Audited Financial Statements of the Company as at and for the year ended on 31 March 2023 as approved by the Board of Directors in their meeting held on 13th May, 2023.
- b) Audited Financial Statements of the Company as at and for the year ended on 31 March 2022 as approved by the Board of Directors in their meeting held on 30th May, 2022.
- c) Audited Financial Statements of the Company as at and for the year ended on 31 March 2021 as approved by the Board of Directors in their meeting held on 30th June, 2021.

prepared in accordance with the Indian GAAP and other accounting principles generally accepted in India.

5. For the purpose of our examination, we have relied on:

- a) Auditors' reports issued by us dated 13th May, 2023 on the financial statements of the company as at and for the year ended on 31st March, 2023, as referred in Paragraph 4 above
- b) Auditors' reports issued by us dated 30th May, 2022 on the financial statements of the company as at and for the year ended on 31st March, 2022, as referred in Paragraph 4 above
- c) Auditors' reports issued by us dated 30th June, 2021 on the financial statements of the company as at and for the year ended on 31st March, 2021, as referred in Paragraph 4 above

6. Based on our examination and according to the information and explanations, we report that:

- a) Restated Financial Information have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31st March 2022 and 31st March, 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended on 31st March, 2023.
- b) We have also confirm that the restated financial information have not been made after giving effect to the matter(s) giving rise to modifications mentioned in paragraph 7 below as per the basis of qualifications mentioned in our audit report for the year ended as on 31st March, 2023 & 2022 .
- c) Restated Financial Information have been prepared in accordance with the Act, applicable ICDR Regulations and the Guidance Note.
- d) statements as at and for the years ended March, 31, 2023, March 31, 2022, and March 31, 2021 which do not require any corrective adjustments to the Restated Financial Information, are as follows:

Emphasis of Matter- March, 2023

Litigation with Technology Development Board (TDB) and ICICI Bank on existing facilities, which can impact future liquidity (Refer Note.4 and 8).

Unreconciled and unconfirmed balances in Trade Receivables, Trade payables and Short-term Loans and Advances (Refer Note 9, 17 and 19).

Non/slow moving current assets like WIP Contract assets, retention with customers and other receivables. Since the amounts are material, any diminution in their carrying value can impact the financials. (Refer Note. 20)

Non-disclosure of segment-wise results because of non-availability of segment-wise cost bifurcation (Refer Note.36).

Our opinion is not modified in respect of these matters.

Emphasis of Matter- March, 2022

We draw your attention to Note 34 to the Statement, which describes the uncertainty caused by Covid-19 pandemic and the assessment made by the management on its business and financials. This assessment and the outcome of the pandemic is as made by the management and is highly dependent on the circumstances as they evolve in the subsequent periods

We draw your attention to Note 4.1(e) and 8 to the Statement, whereby the company has been in litigation with TDB & ICICI Bank on existing facilities which can impact future liquidity

We would like to draw your attention towards non/slow moving current assets like Capital advance, Retention with customer, advance to suppliers and WIP Contract assets. Since the amounts are material any diminution in its carrying value can impact the financials.

The balances in Trade Receivables and Trade Payables are subject to confirmation

We draw your attention towards segment reporting whereas the segment wise results are not prepared because the segment wise cost bifurcation is not available.

Our opinion is not modified in respect of these matters.

Emphasis of Matter- March, 2021

We draw your attention to Note 33 to the Statement, which describes the uncertainty caused by Covid-19 pandemic and the assessment made by the management on its business and financials. This assessment and the outcome of the pandemic is as made by the management and is highly dependent on the circumstances as they evolve in the subsequent periods.

We draw your attention to Note 4.2(f) to the Statement, whereby it describes that the Company has been negotiating existing facilities with TDB which can impact future liquidity.

The balances in Trade Receivables and Trade Payables are subject to confirmations.

Due to the Covid-19 related lockdown, we were unable to observe the Management's year-end physical verification of inventory amounting to Rs.7.21 crores. We have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items". We observed that company has many slow moving items in inventory.

The internal Audit reports for the year ended were not available till our reporting.

The company has reversed the Professional Tax Liability of Rs 1.49 lakhs as liability ceases to exist as per them.

Our opinion is not modified in respect of this matter.

7. The audit reports on the financial statements issued by us were modified and included following matter(s) giving rise to modifications on the financial statements as at and for the years ended March 31, 2023 and 2022:

Qualified Opinion- March 2023

As described in note no. 8 to the financial statements, the company has not provided for the interest of Rs. 121.62 lakhs on the outstanding cash credit facility with ICICI Bank Limited in the books of accounts resulting in overstatement of profits before tax to that extent. Non-provision of this interest along with unprovided interest for the previous years, amounting to Rs. 62.10 lakhs has resulted in understating liabilities by Rs. 183.72 lakhs as on 31st March, 2023. The reserves are also overstated to that extent subject to tax. The company has, therefore, not complied with the Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets".

As described in note no. 4 to the financial statements, the loan recalled by Technology Development Board (TDB) has not been classified as Current liabilities but shown as Non-Current liabilities.

Qualified Opinion- March 2022

We draw attention to the matters described in note no.8 (e) of financial statement whereby the company has outstanding bank OD from ICICI bank. During the year, the company not provided the interest of Rs 62.10 lacs on OD in the books of accounts due to which expenses are understated to that extent.

We draw attention to the note no.30(3)(B), whereby out of the total outstanding debtors a few debtors having outstanding debtors of Rs.1,07,74,102, company has written off Rs.5,94,245 as bad debts during the year. Since the recovery proceedings are pending before NCLT, in our view provisions amount is shorter than what is required. To the extent of such lower booking of provisions, loss for the year is understated.

We draw attention to the note no.16 whereas the company has closing stock of Rs.7.88 crore. As per management, approximate 30% of the inventory are slow moving items. Also management have not carried out physical verification of inventory. We performed alternate audit procedures but the correctness of carrying value could not be derived. We are unable to obtain the sufficient audit evidence to express our audit opinion on its carrying value.

The loan recalled by TDB has been not classified as Current Liabilities but shown as Non-Current.

8. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited[consolidated] financial statements mentioned in paragraph 4 above.
9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
10. Our report is intended solely for use of the management for inclusion in the offer document to be filed with Securities and Exchange Board of India, National Stock Exchange (NSE) and Registrar of Companies, in connection with the proposed right issue of Equity Shares of the Company. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For JCR & Co, LLP
Chartered Accountants
FRN- 105270W/W10086

Sd/-
CA Rajeshwari Joshi
Partner
Mem. No. 18779

Date: 22nd June 2023
Place: Mumbai
UDIN: 23187779BHAORP9196

Level 3, Raval House, 18th Road, Khar West, Mumbai 400 052

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Branches: Ahmedabad, Bengaluru, Chennai, Delhi, Dombivali, Kolkata, Lucknow, Pune, Rajkot, Srinagar, Surat, Vapi

PERFECT INFRAENGINEERS LIMITED
Restated Standalone Cash flow Statement for the year ended 31st March, 2023

Sr.No.	Particulars	For the year ended March, 2023	For the year ended March, 2022	For the year ended March, 2021
A	Cash From Operating Activities			
	Net Profit / (Loss) before tax and extraordinary items:	12.53	-165.67	10.80
	Depreciation	109.47	111.75	45.70
	Interest Income	-0.11	-0.13	-0.16
	Provisions and credit Balances written back	-0.80	-1.16	-33.10
	Bad Debts	20.95	44.40	-
	Discount	-	-	27.00
	(Profit)/Loss on sale of fixed assets	-	-32.72	-192.61
	Interest on Borrowings	27.22	23.55	49.05
	Share Issue Expenses W/off	-	-	3.67
	Income Tax Provision	-	-	-27.57
	Operating Profit before Working Capital changes	169.25	-19.99	-117.22
	Adjustments for:			
	Inventories (Increase) / Decrease	-122.37	-66.85	4.30
	Trade Receivables (Increase)/Decrease	-203.67	107.35	162.93
	Loans and advances (Increase) /Decrease	-3.85	-11.86	-8.50
	Other non current assets and Current Assets (Increase)/Decrease	-16.79	67.05	48.31
	Trade payables Increase / (Decrease)	-86.83	37.99	-9.18
	Other current liabilities and provisions Increase/ (Decrease)	45.63	-35.40	3.58
	Provisions Increase / (Decrease)	0.85	-1.81	-
	Increase/(Decrease) in Deferred Tax liability	-	-	25.20
	Cash generated from Operations	-217.79	76.49	109.41
	Direct taxes received / (paid)	-	-	2.38
	Net Prior Year adjustments	-	-	-
	Cash Flow from Operating Activities Before Extraordinary Items	-217.79	76.49	111.79
	Extraordinary items:			
	Extraordinary item	-	-	-
	Net Cash from Operating Activities: (A)	-217.79	76.49	111.79
B	Cash Flow From Investing Activities			
	Sale of Investment	0	100.06	-
	Purchases of Fixed Assets \WIP\Capital Advance	-2.44	-3.75	381.50
	Proceeds from Sale of Fixed Assets		33.30	-
	Interest Income	0.11	0.13	0.16
	Net cash generated from/(used in) investing activities (B)	-2.33	129.74	381.66
C	Cash Flow From Financing Activities			
	Proceeds From Fresh Issue		-	-
	Increase (Decrease) in Unsecured Loans		-	-
	Increase/(Decrease) in Loans from Bank TDB		-	-
	Increase (Decrease) in Other Long term liability		-	-85.58
	Increase/(Decrease) in Long Term Borrowings	143.18	-11.44	-
	Increase/(Decrease) in Short Term Borrowings	-	-68.97	-385.55
	Interest /Finance Charges paid	-27.22	-23.55	-49.05
	Dividend Paid / Dividend Distribution Tax Paid	-	-	-
	Share issue Expenses	-	-	-
	Fixed Deposit held with Bank as margin Money		8.36	46.88
	Net cash received from/(used in) financing activities (C)	115.96	-95.60	-473.29
	Net increase in cash and cash equivalents (A + B + C)	-104.16	110.64	20.16
	Cash and cash equivalents at beginning of period (Opening)	115.87	5.23	-14.93
	Cash and cash equivalents at end of period (Closing)	11.71	115.87	5.23

(i) The above Cash Flow Statement has been prepared under the " Indirect Method" as set out in Accounting Standard-3 "Cash Flow Statement".

(ii) Previous year's figures have been regrouped/rearranged/recast wherever necessary to make them comparable with those of current year.

iii) Cash and Cash Equivalents comprises of

Particulars		As at 31st March, 202	As at 31st March, 202
a) Cash on Hand	4.64	4.28	5.48
b) balance with Banks	7.07	111.59	-0.25
Total	11.71	115.87	5.23

For and on behalf of the Board of Directors

For Perfect Infraengineers limited

As per our report of even date

For JCR & co.LLP

Chartered Accountants

FRN: 105270W/W10086

Sd/-

Nimesh Mehta

Managing Director

Sd/-

CA Rajeshwari Joshi

Partner

M.No. 187779

Place : Mumbai

Date: 22nd June 2023

UDIN: 23187779BHAORP9196

Sd/-

Manisha Mehta

CFO and Executive Director

Sd/-

Maryam Bahnan

Company Secretary

PERFECT INFRAENGINEERS LIMITED
Restated Statement of Assets and Liabilities as at 31st March,2023

(Rupees in Lakhs)

	note no.	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
(I) Equity and Liabilities				
(1)Shareholder's funds				
(a) Share capital	2	1,106.38	1,106.38	1,106.38
(b) Reserves and Surplus	3	1,028.48	968.62	1,157.48
(2)Non-current liabilities				
(a) Long term borrowings	4	593.77	450.59	462.03
(b) Deferred tax liabilities (net)	5	23.33	70.67	47.47
(c) Other long term liabilities	6	0.57	0.57	1.02
(d) Long term provisions	7	10.06	9.28	10.96
(3) Current liabilities				
(a) Short term borrowings	8	433.72	433.72	502.69
(b) Trade payables:-				
(A) total outstanding dues to micro enterprises and small enterprises; and	9	3.27	8.80	6.78
(A) total outstanding dues of creditors other than micro enterprises and small enterprises	9	151.83	233.14	197.16
(c) Other current liabilities	10	106.36	60.73	96.84
(d) Short term provisions	11	12.32	12.25	12.38
Total		3,470.09	3,354.74	3,601.19
(II) Assets				
(1) Non-current assets				
(1)(a) Property, Plant and Equipment and Intangible assets				
(i) Property, Plant and Equipment	12	176.17	192.52	210.41
(ii) Intangible assets	12	716.75	807.43	898.12
(b) Non-current Investments	13	0.87	0.87	100.93
(c) Long term loans and advances	14	104.05	95.75	97.60
(d) Other non current assets	15	30.48	31.15	29.04
(2) Current assets				
(a) Inventories	16	910.18	787.81	720.97
(b) Trade receivables	17	726.67	525.15	676.90
(c) Cash and cash equivalents	18	17.34	121.50	19.21
(d) Short term loans and advances	19	132.59	128.74	115.03
(e) Other current assets	20	654.98	663.82	732.98
Total		3,470.09	3,354.74	3,601.19
Significant Accounting Policies				
Accompanying Notes to the Financial Statements				

The accompanying notes are an integral part of the financial statements.

Previous years figures have been recasted/restated wherever necessary including those as required in keeping with revised Schedule III amendments.

As per our report of even date
For JCR & co.LLP
Chartered Accountants
FRN: 105270W/W10086

For and on behalf of the Board of Directors
For Perfect Infraengineers limited

Sd-
Nimesh Mehta
Managing Director

Sd-
CA Rajeshwari Joshi
Partner
M.No. 187779
Place : Mumbai
Date: 22nd June 2023
UDIN: 23187779BHAORP9196

Sd-
Manisha Mehta
CFO and Executive Director

Sd-
Maryam Bahnan
Company Secretary

PERFECT INFRAENGINEERS LIMITED
Restated Statement of Profit and Loss for year ended 31st March, 2023

	Particulars	Note No.	For the year ended 31st March, 2023	For the year ended 31st March, 2022	For the year ended 31st March, 2021
I.	Revenue from operations	21	720.40	429.43	129.59
II.	Other Income	22	2.85	36.60	226.57
III.	Total Income (I + II)		723.25	466.03	356.16
IV.	Expenses:				
	Cost of Materials Consumed	23	249.02	477.40	108.70
	Changes in inventories of finished goods, Stock-in-trade	24	86.99	-231.75	-10.20
	Employee benefits expense	25	81.50	83.21	63.98
	Finance costs	26	27.22	23.55	49.04
	Depreciation and amortization expense	12	109.47	111.75	45.70
	Other expenses	27	156.52	167.54	88.13
	Total Expenses		710.73	631.70	345.35
V.	Profit before tax (III-IV)		12.53	-165.67	10.80
VI.	Tax Expense:				
	(1) Current tax			-	2.38
	(2) Deferred tax Liability / (Asset)		-47.34	23.20	25.20
	Total tax expenses		-47.34	23.20	27.58
VII.	Restated Profit (loss) for a period for a period (V-VI)		59.87	-188.87	-16.78
VIII.	Earning per equity Share	28			
	Face value per equity shares of Rs. 10 each				
	Basic		0.54	-1.71	-0.17
	Diluted		0.54	-1.71	-0.17

The accompanying notes are an integral part of the financial statements.

Previous years figures have been recasted/restated wherever necessary including those as required in keeping with revised Schedule III amendments.

As per our report of even date
For JCR & co.LLP
Chartered Accountants
FRN: 105270W/W10086

Sd/-
CA Rajeshwari Joshi
Partner
M.No. 187779
Place : Mumbai
Date: 22nd June 2023
UDIN: 23187779BHAORP9196

For and on behalf of the Board of Directors
For Perfect Infraengineers limited

Sd/-
Nimesh Mehta
Managing Director

Sd/-
Manisha Mehta
CFO and Executive Director

Sd/-
Maryam Bahnan
Company Secretary

Restated statement of Changes in Equity for the Year Ended 31st March,2023

A Equity Share Capital

(Rs. in Lakhs)

As at 31st March, 2020	1,006.38
Changes in Equity share capital during the year 2020-21	100.00
As at 31st March, 2021	1,106.38
Changes in Equity share capital during the year 2021-22	-
As at 31st March, 2022	1,106.38
Changes in Equity share capital during the year 2022-23	-
As at 31st March, 2023	1,106.38

B Other Equity

(Rs. in Lakhs)

Particulars	Reserves and Surplus		Total Reserve and Surplus
	Securities Premium	Surplus	
As at 1st April, 2020	738.76	267.59	1,006.35
Issue of shares during the period	167.90	-	167.90
Profit/(Loss) for the Period	-	-16.77	-16.77
Balance as at 31st March,2021	906.66	250.82	1,157.48
Profit/(Loss) for the Period	-	-188.86	-188.86
Balance as at 31st March,2022	906.66	61.96	968.62
Profit/(Loss) for the Period	-	59.86	59.86
Balance as at 31st March,2023	906.66	121.82	1,028.48

The accompanying notes are an integral part of the financial statements.

Previous year figures have been recasted/restated wherever necessary including those as required in keeping with revised Schedule III amendments.

As per our report of even date

For JCR & Co.LLP

Chartered Accountants

FRN: 105270W/W10086

Sd/-

CA Rajeshwari Joshi

Partner

M.No. 187779

Place : Mumbai

For and on behalf of the Board of Directors

For Perfect Infraengineers limited

Sd/-

Nimesh Mehta

Managing Director

Sd/-

Sd/-

Date: 22nd June 2023
UDIN: 23187779BHAORP9196

Manisha Mehta
CFO and Executive Director

Maryam Bahnar
Company Secretary

Note: 2 Share Capital

(All amount in rupees Lakhs, unless otherwise stated)

Particulars	No. of shares	As at 31st Macrh, 2023	No. of shares	As at 31st Macrh, 2022	No. of shares	As at 31st Macrh, 2021
Authorised share capital						
Equity Shares of Rs. 10 each	1,30,00,000	1,300.00	1,30,00,000	1,300.00	1,30,00,000	1,300.00
Total	1,30,00,000	1,300.00	1,30,00,000	1,300.00	1,30,00,000	1,300.00

Particulars	No. of shares	As at 31st Macrh, 2023	No. of shares	As at 31st Macrh, 2022	No. of shares	As at 31st Macrh, 2021
Issued, Subscribed & Paid up						
Equity Shares of Rs. 10 each	1,10,63,778	1,106.38	1,10,63,778	1,106.38	1,00,63,778	1,006.38
Add: Issued during the year	-	-	-	-	10,00,000	100.00
Total	1,10,63,778	1,106.38	1,10,63,778	1,106.38	1,10,63,778	1,106.38

a Reconciliation of number of shares outstanding

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
	No. of Shares	No. of Shares	No. of Shares
Outstanding at Beginning of the period	1,10,63,778	1,10,63,778	1,00,63,778
Issued during the year	-	-	10,00,000
Issued as Bonus Shares	-	-	-
Shares Bought back during the period	-	-	-
Outstanding at the end of the period	1,10,63,778	1,10,63,778	1,10,63,778

b Rights, preferences and restrictions attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity share is entitled to vote on show of hands unless a poll is demanded. Accordingly, all equity shares rank equally with regards to dividends and shares in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts.

c Details of Shareholders holding more than 5% shares

Name of the Shareholders	At March 31, 2023		At March 31, 2022		At March 31, 2021	
	Number	% of Holding	Number	% of Holding	Number	% of Holding
Mr. Nimesh Mehta (**)	19,01,572	17.19%	25,01,572	22.61%	25,01,572	22.61%
Mrs. Manisha Mehta (**)	18,02,832	16.29%	26,48,832	23.94%	25,82,832	23.34%
Suntrac Solar Manufacturing LLC	10,00,000	9.04%	10,00,000	9.04%	10,00,000	9.04%
Total	47,04,404	42.52%	61,50,404	55.59%	60,84,404	54.99%

d Details of Promoter's Shareholders holding :

Promoter Name	As at March 31, 2023		As at March 31, 2022		% of change FY.23 vs FY 22	As at March 31, 2021		% of change FY.22 vs FY 21
	No. of shares	% of total shares	No. of shares	% of total shares		No. of shares	% of total shares	
Nimesh Mehta	19,01,572	17.19%	25,01,572	22.61%	-5.42%	25,01,572	22.61%	-
Manisha Mehta	18,02,832	16.29%	26,48,832	23.94%	-7.65%	25,82,832	23.34%	0.60%
Priti Bhanushali	16,667	0.15%	16,667	0.15%	-	16,667	0.15%	-
Sharmila Singh	18,620	0.17%	18,620	0.17%	-	18,620	0.17%	-
Total	37,39,691	33.80%	51,85,691	46.87%		51,19,691	46.27%	

e Within last five years

A) Aggregate Number and class of shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash

During the F.Y.2020-21, 10 lakhs equity shares were allotted at 26.79/- per share to Suntrac solar manufacturing LLP against the technology fees payable by the company.

Note: 3 Reserves and surplus

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Security Premium			
Opening Balance	906.66	906.66	738.76
Addition during current year	-	-	167.90
Utilised for issue of Bonus Shares	-	-	-
Closing Balance	906.66	906.66	906.66
Profit & Loss account			
Opening Balance	61.96	250.82	267.59
Net Profit/(Net Loss) for the Period	59.86	-188.86	-16.77
Closing Balance	121.82	61.96	250.82
Total	1,028.48	968.62	1,157.48

Note: 4 Long term borrowings

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Secured:			
1. Term Loan			
A) from Banks			
B) From Other Parties			
Technology Development Board (TDB) *	450.00	450.00	450.00
Unsecured:			
1. Loans and advances from related parties			
Loan from Directors	143.77	0.59	12.03
2. Other loans & advances	-	-	-
Total	593.77	450.59	462.03

*A Soft Loan of Rs. 750 lakhs has been sanctioned in favour of the Company by Technology Development Board (TDB) towards "Development and Commercialisation of Hybrid Thermal System" against personal guarantee and pledge of 29,77,885 equity shares held by the promoters, exclusive/first pari passu mortgage charge on Land and Building, first pari passu hypothecation charge on present and future movable assets and corporate guarantee given by the Company.

The outstanding term loan of Rs. 450 lakhs was recalled by TDB and a petition has been filed before the National Company Law Tribunal under the Insolvency & Bankruptcy Code, 2016. However, the management has invoked the arbitration clause and is in discussion with TDB for restructuring the term loan. Pending a decision in the matter, the management has decided to continue showing the term loan as a non-current liability.

Note: 5 Deferred tax liabilities (Net)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Deferred Tax Liability (A)	70.67	47.47	22.27
Depreciation/ Adjustment	23.12	23.20	25.20
Deferred Tax Asset (B)			
On account of Disallowance U/s. 43B of Income tax act	-0.54	-	-
On account of Carry forward loss	-69.92	-	-
Total	23.33	70.67	47.47

Note: 6 Other long term liabilities

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
a) Trade payables	-	-	-
b) Others:			
Deposits from Customers	0.57	0.57	1.02
Total	0.57	0.57	1.02

Note: 7 Long term provisions

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
a) Provisions for employee benefits			
Provision for gratuity	10.06	9.28	10.96
b) Others	-	-	-
Total	10.06	9.28	10.96

Note: Gratuity payable is provided on actuarial valuation basis, however the company has not created any fund towards payment

Note: 8 Short term borrowings

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Secured			
a) Loans repayable on demand			
A) From bank			
ICICI Bank	433.72	433.72	502.69
Total	433.72	433.72	502.69

*Cash Credit facility from ICICI Bank is secured by :

- a) First Pari Passu charge by way of Hypothecation over all movable assets, present and future;
- b) Collateral Security by way of Equitable mortgage of certain residential Properties owned by Directors & Immovable property of the
- c) KMP's (Manisha Mehta & Nimesh Mehta) of the Company have extended a Personal Guarantee.
- d) The company has initiated various legal proceeding in the City Civil Court, High Court, DRT and Supreme Court for the unauthorised and
- e) During the year, the company has not provided for the interest on the Bank Overdraft as the case is pending in various courts.
- f) As the company is in litigation with ICICI Bank, statements of stocks and receivables have not been filed with the Bank.

Note: 9 Trade payables

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Trade payables:			
A) Total outstanding dues of Micro enterprises and small enterprises	3.27	8.80	6.78
B) Due to Creditors other than micro enterprises and small enterprises	151.83	233.14	197.16
Total	155.10	241.93	203.94

Ageing for trade payables outstanding as on 31st march 2023 is as follows:

Particulars	Outstanding for following periods from due dates of payments				
	Less than 1 year	1-2 years	2-3 years	more than 3 years	Total
i) MSME	2.24	0.90	0.13	-	3.27
ii) Others	38.98	47.96	32.51	10.17	129.62
iii) Disputed dues-MSME	-	-	-	-	-
iv) Disputed dues- Others	-	0.32	4.24	17.65	22.21
Total	41.22	49.17	36.88	27.83	155.10

Ageing for trade payables outstanding as on 31st march 2022 is as follows:

Particulars	Outstanding for following periods from due dates of payments				
	Less than 1 year	1-2 years	2-3 years	more than 3 years	Total
i) MSME	3.65	2.40	2.75	-	8.80
ii) Others	73.76	97.69	26.09	13.39	210.93

iii) Disputed dues-MSME	-	-	-	-	-
iv) Disputed dues- Others	-	0.32	4.24	17.65	22.21
Total	77.41	100.41	33.07	31.04	241.93

Ageing for trade payables outstanding as on 31st march 2021 is as follows:

Particulars	Outstanding for following periods from due dates of payments				
	Less than 1 year	1-2 years	2-3 years	more than 3 years	Total
i) MSME	2.24	4.08	0.45	-	6.78
ii) Others	54.11	85.37	21.59	13.89	174.96
iii) Disputed dues-MSME	-	-	-	-	-
iv) Disputed dues- Others	0.32	4.24	11.29	6.37	22.21
Total	56.66	93.69	33.33	20.25	203.94

The Company have disclosed amount from whom they have received confirmation from suppliers as registered under Micro enterprises and Small enterprises, rest all outstanding assumed as other enterprises

The balances of Trade Payables are subject to reconciliation and confirmation. Appropriate adjustment if necessary will be considered in the year of reconciliation.

Note: 10 Other current liabilities

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Interest Accrued but not due	84.87	57.81	35.31
Statutory Dues payable	11.98	-4.72	44.32
Security Deposit	-	-	9.00
Employee Benefit payable	0.41	0.51	0.71
Director Remuneration	3.85	3.14	3.53
Advance Income	2.93	2.15	3.25
Other payables	2.32	1.84	0.72
Total	106.36	60.73	96.84

Note: 11 Short term provisions

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Provision for Gratuity	1.07	1.01	1.14
Provision for Income Tax	11.24	11.24	11.24
Total	12.32	12.25	12.38

Note: 13 Non-current Investments

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Trade			
Unquoted Investments			
In Subsidiaries:			
Investments in Equity Instruments			
Perfect Controls Panels Private Limited (10,00,600 Shares of Rs. 10 each, fully paid)	-	-	100.06
Total	-	-	100.06
Non Trade			
Investments in Mutual Funds			
Kotak Select Fund [2,000 Units (2,000 Units) of Rs. 10 each]	0.20	0.20	0.20
Total	0.20	0.20	0.20
Aggregate Market Value of Quoted Shares	1.02	0.72	0.72
Unquoted Investments			

National Savings Certificate	0.20	0.20	0.20
Gold Coin	0.47	0.47	0.47
Total	0.67	0.67	0.67
Total	0.87	0.87	100.93

Perfect Control Panels Pvt Ltd was the wholly owned subsidiary company of the company. During the financial year 2021-22, all the shares of Subsidiary company have been sold on 30-9-2021 (81% holding) & 31-01-2022 (19% holding). All the shares has been sold at face value of Rs.10.

Note: 14 Long terms loans and advances

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Unsecured, considered good			
a) Capital Advances	91.43	88.13	94.63
b) Other loans & advances			
Deposit with Suppliers	0.67	0.67	0.67
Other Deposits	11.95	6.95	2.30
Total	104.05	95.75	97.60

Note: 15 Other Non Current Assets

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Unsecured, considered good			
a) Security Deposits	9.00	9.00	9.00
b) Other non current assets	-	-	-
Advance & SA tax & TDS	21.48	22.15	20.04
Total	30.48	31.15	29.04

Note: 16 Inventories

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Stock of raw materials & WIP	589.27	381.47	564.57
Stock of Spares and Components	25.90	24.36	6.16
Stock of Finished goods & Stock in trade	295.00	381.99	150.23
Total	910.18	787.81	720.97

Note: 17 Trade Receivables

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Unsecured, Considered Good			
Outstanding for less than six months	194.39	59.93	83.73
Outstanding for more than six months	532.28	465.22	593.17
Total	726.67	525.15	676.90

Ageing for trade receivables current outstanding as at March 31, 2023 as follows:

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 Month	6 Month - 1 Year	1 - 2 Year	2 - 3 Year	More than 3 Year	Total
i. Undisputed Trade receivables-considered good	194.39	125.67	58.03	26.22	182.42	586.72
ii. Undisputed Trade receivables-considered doubtful						-
iii. Disputed Trade receivables-considered good						-
iv. Disputed Trade receivables-considered doubtful					139.96	139.96
	194.39	125.67	58.03	26.22	322.37	726.67

Ageing for trade receivables current outstanding as at March 31,2022 as follows:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Month	6 Month - 1 Year	1 - 2 Year	2 - 3 Year	More than 3 Year	
i. Undisputed Trade receivables-considered good	59.93	55.74	57.08	77.39	123.15	373
ii. Undisputed Trade receivables-considered doubtful	-	-	-	-	-	-
iii. Disputed Trade receivables-considered good	-	-	-	-	-	-
iv. Disputed Trade receivables-considered doubtful	-	-	-	49	103.22	152
	59.93	55.74	57.08	126.03	226.37	525

Ageing for trade receivables current outstanding as at March 31,2021 as follows:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Month	6 Month - 1 Year	1 - 2 Year	2 - 3 Year	More than 3 Year	
i. Undisputed Trade receivables-considered good	83.73	51.63	202.83	117.14	53.53	508.86
ii. Undisputed Trade receivables-considered doubtful						-
iii. Disputed Trade receivables-considered good						-
iv. Disputed Trade receivables-considered doubtful			56.06	107.44	4.54	168.04
	83.73	51.63	258.89	224.58	58.07	676.90

The Balances of Trade Receivables are subject to reconciliation and confirmation. Appropriate adjustment if necessary will be considered in the year of reconciliation.

Note: 18 Cash and cash equivalents

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
a) Cash in hand	4.64	4.28	5.48
b) Balances with Banks	7.07	111.59	-0.25
c) Others			
Fixed Deposits	5.63	5.63	13.98
Total	17.34	121.50	19.21

Note: 19 Short term loans and advances

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Loans			
Unsecured considered good			
Advance to Suppliers	26.24	26.24	26.24
Deposit with Govt Authorities	18.76	15.37	14.83
Other Advances & Deposits	87.59	87.14	73.96
Total	132.59	128.74	115.03

The Balances of Short Term Loans and advances are subject to reconciliation and confirmation. Appropriate adjustment if necessary will be considered in the year of reconciliation.

Note: 20 Other current assets

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Retention with customers	78.51	69.54	69.54
WIP - Contract Asset	502.20	520.20	596.26
Prepaid expenses	0.16	0.07	-
Accrued Interest on Bank Fixed Deposit/NSC	0.19	0.08	0.08
Other Receivable	52.50	52.50	45.68
Miscellaneous Expenses	20.80	20.80	20.80
TDS Recoverable	0.63	0.63	0.63
Total	654.98	663.82	732.99

Notes to financial statements

(All amount in rupees Lakhs, unless otherwise stated)

Note: 21 Revenue from oprations

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Sales of Goods			
Hybrid Solar Panel Sales	569.48	279.58	13.81
Trading of AC and others	43.29	21.36	0.25
	612.77	300.94	14.07
Sales of Services			
Trading/ Installation & Commissioning of AC	40.19	6.60	21.33
Renting of Air Conditioners	56.10	60.62	63.75
Sale of Services	4.39	6.60	4.60
Operating income	6.94	6.21	9.21
Other operating income	-	48.47	16.63
	107.63	128.50	115.52
Total	720.40	429.43	129.59

Note: 22 Other Income

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Interest Income from Bank Deposits	0.11	0.13	0.16
Rent Income	-	1.13	0.70
Profit on Sale of Fixed Asset	-	32.72	192.61
Provisions written back	0.80	1.16	33.10
Foreign Exchange Fluctuation	1.94	-	-
Discount Received	-	1.46	-
Total	2.85	36.60	226.57

Note: 23 Cost of Materials / Services Consumed

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Opening Stock of Raw Material	405.83	570.74	585.24
Purchases	414.66	304.04	76.62
Labour	7.52	6.02	0.26
Site expenses	36.20	2.44	17.31
Less: Closing Stock of Raw Material	615.17	405.83	570.74
Total	249.02	477.40	108.70

Note: 24 Changes in Inventories

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Opening Stock of Finish Goods and stock in trade	381.99	150.23	140.04
Less: Closing Stock of Finish Goods and stock in trade	295.00	381.99	150.23
Total	86.99	-231.75	-10.20

Note: 25 Employee Benefits Expense

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Salaries and wages	79.92	84.02	60.64
Contribution to provident and other funds	0.74	1.00	1.40
Gratuity	0.84	-1.81	1.94
Total	81.50	83.21	63.98

Note: 26 Finance Expenses

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Interest paid to Banks	0.16	1.05	25.62

Other Borrowing Costs	27.06	22.50	23.42
Total	27.22	23.55	49.04

Note: 27 Other Expenses

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Rent Rates & Taxes	11.59	3.24	2.63
Rent of Rable Office	18.00	25.50	13.50
Security services	2.40	2.40	2.60
Transportation charges	8.64	2.91	3.03
Professional Fees	23.47	19.57	7.27
Legal & Professional Fees	-	2.66	0.25
Power & Fuel	1.85	4.53	2.65
Postage & Courier Charges	-	0.10	0.01
Hotel, Food and Boarding Charges	4.59	13.26	-
Office exp	-	2.35	3.34
Communication Costs	-	0.76	0.67
Business Promotion expenses	1.72	8.21	0.42
Insurance	0.23	0.22	0.51
Repairs and Maintenance Expenses	2.24	1.75	1.36
Printing & Stationery	3.51	0.67	0.04
Packing Expenses	-	0.00	0.01
Sitting Fees	3.00	1.90	2.49
Travelling & Conveyance	33.79	14.89	7.61
Auditor's Remuneration	1.83	1.10	2.33
Annual Listing fees	2.41	-	-
Discount	5.12	0.13	17.97
Miscellaneous Expenses	11.20	16.77	5.89
Society Maintenance Charges	-	0.07	0.58
Share Issue Expenses W/off	-	-	3.67
ROC Fees	-	0.15	0.15
Bad Debts	20.95	44.40	9.15
Total	156.52	167.54	88.13

Note: 28 Earning Per Share

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Face Value per Equity Shares	10	10	10
Basic Earning Per Share	0.54	-1.71	-0.17
Net profit after tax as per Statement of Profit and Loss account	59.87	-188.86	-16.77
Weighted Average number of Equity Shares	110.64	110.64	101.32
Diluted Earning per Share	0.54	-1.71	-0.17
Net profit after tax as per Statement of Profit and Loss account	59.87	-188.86	-16.77
Weighted Average number of Equity Shares	110.64	110.64	101.32

Note: 29 Disclosure in accordance with Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

As at March 31, 2023, except few, no supplier has intimated to the Company about its status as Micro or Small Enterprises or its registration with the appropriate authority under MSMED and hence information pertaining to Disclosure in accordance with Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is not furnished by the Company to the extent not received. Trade Payables are non interest bearing and are normally settled within the terms. There are no other amounts paid/payable towards interest under the MSMED Act.

Note: 30 Contingent Liabilities and Commitments

Description	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Bank Guarantees	-	-	-

Disputed Tax liabilities for which appeal has been filed:

Income & VAT/CST case:

Appeal has been filed for VAT & CST case for F.Y. 2013-14,
F.Y. 2015-16 and F.Y 2016-17

169.16	104.09	-
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Disputed Income Tax liabilities for FY 17-18 for which appeal has been filed	174.55	174.55	174.55
Disputed Income Tax liabilities for FY 18-19 for which appeal has been filed	71.13	71.13	-

Commitments

Estimated amount of capital commitments not provided for	-	-	-
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Cases filed against company

14 cases filed against company (16 cases in FY.2021-22, 11 cases in FY.2020-21 were filed)	71.61	109.38	71
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Cases filed by company

Matters with Court

- i Leo and Coronae Hotels (Claim amount Rs. 27,50,000/- and Rs. 25,00,000/- EMD Recovery)
- ii Chartered Hotels (Claim amount Rs. 56,62,407/-)

Matters under Insolvency and Bankruptcy Code 2016

(NCLT Mumbai)

- iii Mumbai Metro One P. Ltd. (Claim amount Rs. 1,87,075/- under Insolvency and Bankruptcy Code, 2016 Notice served in Aug, 2018 and claim will be filed with authority on its direction)
- iv Unity Infra (Claim Rs. 96,68,428 however matter is pending under Insolvency and Bankruptcy Resolution Professional.

Note: 31 Related Party Disclosures

Details of related parties:

Name	Relationship
Mr. Nimesh Mehta (Appointed as MD as on 1st December 2022)	Managing Director
Mrs. Manisha Mehta (Appointed as Director on 1st December 2022)	CFO & Executive Director
Miss Maryam Bahnan (Appointed from 19th September 2022)	Company Secretary
Miss. Zainab Chanki (Resigned w.e.f. 1st September 2022)	Company Secretary
Mr. Pravesh Palod (from 2019 to Oct 2021)	Company Secretary
Mr. Arun Singh (w.e.f. 4-12-2021) resigned w.e.f 10th January 2023	Whole Time Director
Raj Singh (wef.4-12-2021)	Independent Directors
Ms Gurinderkaur Multani	Independent Directors
Rakesh Chauhan	Independent Directors
Other Related Parties	
Krishna Mehta	Son of KMP, CEO
Parth Mehta	Son of KMP, CEO
Perfect Control Panel Pvt Ltd	Company where Krishna Mehta and Parth Mehta are Directors & shareholders

Related Party Transactions :

Particulars	31-03-2023	31-03-2022	31-03-2021
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Key Management Personnel

Remuneration to CFO/CEO	30.84	29.51	29.51
Remuneration to KMP (CS & WTD)	5.41	6.82	4.92
Security deposits-repaid to CFO	-	9.00	-
Loan taken from CFO/CEO	143.18	-	-

Other Related Parties

Salary to Krishna Mehta	8.27	6.34	0.53
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Transaction with Subsidiary Co.

Purchase of material	453.97	37.68	53.59
Sale of shares of Perfect Control Panels pvt ltd		35.02	

Other Related Parties

Sale of shares of subsidiary co. to Parth Mehta(Perfect Control Panels pvt ltd)	-	35.02	-
Sale of shares of subsidiary co. to Krishna Mehta(Perfect Control Panels pvt ltd)	-	35.02	-

Outstanding Balances**Other Related Parties**

Salary Payable to Krishna	0.38	0.18	-
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KMP

Remuneration payable to CFO/CEO	3.85	1.64	3.53
Remuneration payable to other KMP	0.46	1.80	-
Security deposits from CFO	-	-	9.00
Loan Payable outstanding	143.77	0.59	12.96

Other Related Parties

Investment in Subsidiary	-	-	100.06
Perfect Control Panel pvt ltd -Payble	-	160	111.39
Perfect Control Panel pvt ltd -Receivables	185.35	-	

Note: 32 Operating Leases

The Company's lease agreements are in respect of operating lease for office premises. These lease arrangements are cancellable by either parties there to as per the terms and condition of the agreements.

Note : 33 Segment Reporting

The Company is predominantly in the business of execution of HVAC & manufacturing and trading of HYBRID SOLAR THARMAL PANELS and allied activities in India. The segment wise sales details are as follows:

Segment Revenue	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Sales of Hybrid Solar Panel and others goods	612.77	282.11	14.07
Renting of AC	56.10	60.62	63.75
AMC charges, Installation & labour charges	51.53	86.70	51.77
Segment Total	720.40	429.43	129.59
Gross revenue from sale of products & services	720.40	429.43	129.59

Segment wise results are not available as cost cannot be bifurcate segment wise.

Note: 34 Additional Regulatory Information**Ratios:**

Ratio	Numerator	Denominator	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021	% changes- FY 23 vs FY.22	Reason for variance- FY.2023 Vs FY2022	% changes- FY 22 vs FY.21	Reason for variance- FY.2022 Vs FY2021
Current ratio (in times)	Total Current assets	Total current liabilities	3.45	2.97	2.78	16.02%	The variation is primailly due to increase in debtors amount.	7.15%	-
Debt-Equity ratio (in times)	Debt consists of borrowings	Total equity	0.48	0.43	0.43	12.93%		0.01%	
Debt service coverage ratio	Earning for Debt service = Net profit after taxes + Non-cash operating expenses + interest + other non-cash adjsutments	Debt service= interest payments + principal repayment	0.22	(0.06)	0.08	465.08%	The variation is due to increase in revue of the company and decrease in expenses.	-174.01%	The variation is primailly due to increase in expenses as the sales has been increased .

Return on equity ratio (in %)	Profit for the year	Average total equity	2.84%	-8.71%	-0.78%	132.67%	Changes is due to increase in revenue of the company.	-1009.41%	Due to increase in depreciation amount and other expenses, the profit has been decreased.
Inventory Turnover Ratio	COGS	Average Inventory	0.40	0.33	0.14	21.54%		139.05%	
Trade receivable Turnover ratio	Revenue from operations	Average trade receivables	1.15	0.71	0.17	61.09%		318.13%	
Trade payable turnover ratio	Cost of material & other expenses	Average trade paybles	2.04	0.71	0.17	185.92%		318.13%	
Net Working Capital Turnover ratio (in times)	Revenue from operation	Total current assets less total current liabilities	0.42	0.29	0.09	43.00%	The variation is primailly due to increase in turnover of the company.	224.84%	The variation is primailly due to increase in turnover and working capital of the company.
Net profit ratio	Profit for the year	Revenue from opertion	8.31%	-43.98%	-12.95%	118.90%	The variation is due to increase in revue of the company and decrease in expenses.	-239.67%	The variation is primailly due to increase in expenses as the sales has been increased .
Return on capital employed	profit before tax and finance cost	Capital employed= Net worth + long term loans + Deferred tax liability	1.44%	-5.47%	2.16%	126.39%	The variation is due to increase in revue of the company and decrease in expenses.	-353.70%	The variation is primailly due to increase in expenses as the sales has been increased .
Return on investments	Operating profit	Capital employed= Net worth + long term loans + Deferred tax liability	0.00	(0.08)	(0.08)	104.51%	The variation is due to increase in profit of the company.	0.00%	

Note: 35 Previous Year Figures

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current periods classification/ disclosure.

Note: 36 Additional regulatory information required by schedule III to the Companies act, 2013.

- a The Company do not have any benami property held in its name. No proceedings have been initiated on or are pending against the company for holding any benami property under Benami Transactions (Prohibition) Act, 1988, and rules made thereunder.
- b No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

PERFECT INFRAENGINEERS LIMITED

Note: 12 Property, Plant and Equipment and Intangible assets
FY.2022-23

FY.2022-23											(Rs. In lakh)	
			GROSS BLOCK				DEPRECIATION				Net Block	Net Block
Particulars	Rate	Rate	Balance as on	Addition	Deduction	Balance as on	Balance as on	For the	Adjustment/	Total	31-03-2023	31-Mar-22
			01-04-2022	year	year	31-03-2023	01-04-2022	year	Deletion	Depreciation		
Property, Plant and Equipment			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Buildings												
Office Buildings	5.00%	4.87%	59.15	-		59.15	19.39	1.94		21.33	37.82	39.76
Guest House	5.00%	4.87%	137.66	-	-	137.66	50.47	4.25	-	54.71	82.94	87.19
			-			-	-	-				
(b) Plant & Equipments												
Owned	13.91%	18.10%	44.06	2.16	-	46.22	20.56	4.53		25.09	21.13	23.50
Owned, Given on Hire	13.91%	18.10%	339.68		-	339.68	307.64	5.80	-	313.44	26.24	32.04
			-			-	-	-				
(c) Furniture & Fixtures	25.89%	25.89%	41.62	-	-	41.62	35.52	1.58	-	37.10	4.52	6.09
			-			-	-	-				
(d) Vehicles	25.89%	25.66%	26.86	-	-	26.86	24.28	0.66	-	24.95	1.92	2.58
			-			-	-	-				
(e) Office Equipment												
Office Equipment	45.07%	45.07%	3.93	-	-	3.93	3.73	-	-	3.73	0.20	0.20
Computer	63.16%	63.16%	23.18	0.28	-	23.46	22.02	0.04		22.06	1.40	1.16
			-			-	-	-				
Intangible Assets												
(a) Software		63.16%	-	-	-	-	-	-		-	-	-
(b) Intangible R&D			17.35	-	-	17.35	4.34	1.74	-	6.07	11.28	13.02
(c) Technical know how fees			889.46	-	-	889.46	95.04	88.95	-	183.98	705.47	794.42
TOTAL			1,582.95	2.44	-	1,585.39	583.00	109.47	-	692.46	892.92	999.95
Previous year			1,585.27	3.75	6.07	1,582.95	476.74	111.75	5.49	583.00	999.95	1,108.53

Depreciation on Technical know how capitalized under Intangible assets will be amortised in accordance with AS 26 considering its useful life to be ten years.

FY.2021-22

FY.2021-22											(Rs. In lakh)	
			GROSS BLOCK				DEPRECIATION				Net Block	Net Block
Particulars	Rate	Rate	Balance as on	Addition	Deduction	Balance as on	Balance as on	For the	Adjustment/	Total	Balance as on	Balance as on
			01-Apr-21	year	year	31-Mar-22	01-Apr-21	year	Deletion	Depreciation	31-Mar-22	31-Mar-21
TANGIBLE ASSETS			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Buildings												
Office Buildings	5.00%	4.87%	65.22	-	6.07	59.15	22.86	2.02	5.49	19.39	39.76	42.36
Guest House	5.00%	4.87%	137.66	-	-	137.66	46.00	4.46	-	50.47	87.19	91.65
(b) Plant & Equipments												
Owned	13.91%	18.10%	40.31	3.75	-	44.06	16.08	4.48		20.56	23.50	24.23
Owned, Given on Hire	13.91%	18.10%	339.68	-	-	339.68	300.56	7.08	-	307.64	32.04	39.13
(c) Furniture & Fixtures	25.89%	25.89%	41.62	-	-	41.62	33.39	2.13	-	35.52	6.09	8.22

(d) Vehicles	25.89%	25.66%	26.86	-	-	26.86	23.39	0.89	-	24.28	2.58	3.47
<u>(e) Office Equipment</u>												
Office Equipment	45.07%	45.07%	3.93	-	-	3.93	3.73	-	-	3.73	0.20	0.20
Computer	63.16%	63.16%	23.18	-	-	23.18	22.02	-	-	22.02	1.16	1.16
INTANGIBLE ASSETS												
(a) Software		63.16%	-	-	-	-	-	-	-	-	-	-
(b) Intangible R&D			17.35	-	-	17.35	2.60	1.74	-	4.34	13.02	14.75
(c) Technical know how fees			889.46	-	-	889.46	6.09	88.95	-	95.04	794.42	883.36
TOTAL			1,585.27	3.75	6.07	1,582.95	476.74	111.75	5.49	583.00	999.95	1,108.53
Previous year			1,965.84	889.46	1,270.02	1,585.27	622.72	45.70	191.67	476.74	1,108.53	1,343.12

Note:

Depreciation on Technical know how capitalized under Intangible assets will be amortised in accordance with AS 26 considering its useful life to be ten years.

FY.2020-21

(Rs. In lakh)

Particulars	Rate	Rate	GROSS BLOCK				DEPRECIATION				Net Block	Net Block
			Balance as on	Addition	Deduction	Balance as on	Balance as on	For the	Adjustment/	Total	Balance as on	Balance as on
			01-Apr-20	year	year	31-Mar-21	01-Apr-20	year	Deletion	Depreciation	31-Mar-21	31-Mar-20
TANGIBLE ASSETS			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<u>(a) Buildings</u>												
Office Buildings	5.00%	4.87%	65.22	-	-	65.22	20.70	2.17	-	22.86	42.36	44.52
Guest House	5.00%	4.87%	137.66	-	-	137.66	41.31	4.69	-	46.00	91.65	96.34
<u>(b) Plant & Equipments</u>												
Owned	13.91%	18.10%	40.31	-	-	40.31	10.73	5.35	-	16.08	24.23	29.58
Owned, Given on Hire	13.91%	18.10%	339.68	-	-	339.68	291.91	8.65	-	300.56	39.13	47.77
(c) Furniture & Fixtures	25.89%	25.89%	41.62	-	-	41.62	30.52	2.87	-	33.39	8.22	11.10
(d) Vehicles	25.89%	25.66%	38.49	-	11.63	26.86	33.82	1.20	11.63	23.39	3.47	4.67
<u>(e) Office Equipment</u>												
Office Equipment	45.07%	45.07%	3.93	-	-	3.93	3.73	-	-	3.73	0.20	0.20
Computer	63.16%	63.16%	23.18	-	-	23.18	21.84	0.18	-	22.02	1.16	1.34
INTANGIBLE ASSETS												
(a) Software		63.16%	10.26	-	10.26	-	9.75	0.51	10.26	-	-	0.51
(b) Intangible R&D			17.35	-	-	17.35	0.87	1.74	-	2.60	14.75	16.49
(c) Technical know how fees			-	889.46	-	889.46	-	6.09	-	6.09	883.36	-
Work In Progress												
(a) Technical know how fees		10.00%	889.46	-	889.46	-	-	-	-	-	-	889.46
Asset Held for Sale												

Factory Building	9.50%	9.50%	358.68	-	358.68	-	157.54	12.25	169.78	-	-	201.14
TOTAL			1,965.84	889.46	1,270.02	1,585.27	622.72	45.70	191.67	476.74	1,108.53	1,343.12
Previous year			1,567.41	415.78	17.35	1,965.84	574.70	49.67	49.67	622.72	1,343.12	992.71

Note:

Depreciation on Technical know how capitalized under Intangible assets will be amortised in accordance with AS 26 considering its useful life to be ten years. The amortisation will start with the acquisition of complete rights. Technical know how fees paid for acquiring licence rights of innovative HVAC products. In current year, company has acquired this rights in month of March 2021 and amortization has been started wef March 2021

	2022-23			2021-22		2020-21	
Current Ratio (in times)	3.45			2.97		2.78	
	Total Current assets	Total current liabilities					
	2,442	707		2,227	749	2,265.09	815.85
Debt-Equity ratio (in times)	0.48			0.43		0.43	
	Debt consists of borrowings	Total equity					
	1,027	2,135		884.31	2075	964.72	2263.86
Debt service coverage ratio	0.22			(0.06)		0.08	
	Earning for Debt service = Net profit after taxes +	Debt service= interest payments + principal repayment					
	196.56	911		(54)	906	77.96	976.11
Return on equity ratio (in %)	2.84%			-8.71%		-0.78%	
	Profit for the year	Average total equity					
	59.87	2,104.93		-188.87	2,169.43	-16.78	2,138.29
Inventory Turnover Ratio	0.40			0.33		0.14	
	COGS	Average Inventory					
	336.01	849.00		245.65	754.39	98.50	723.12
Trade receivable Turnover ratio	1.15			0.71		0.17	
	Revenue from operations	Average trade receivables					
	720.40	625.91		429.43	601.03	129.59	758.37
Trade payable turnover ratio	2.04			2.89		0.94	
	Cost of material & other expenses	Average trade paybles					
	405.54	198.52		644.95	222.94	196.83	208.53
Net Working Capital Turnover ratio (in times)	0.42			0.29		0.09	
	Revenue from operation	Total current assets less total current liabilities					
	720.40	1,734.27		429.43	1,478.39	129.59	1,449.24
Net profit ratio	8.31%			-43.98%		-12.95%	
	Profit for the year	Revenue from operation					
	59.87	720		(189)	429	-16.78	129.59
Return on capital employed	1.44%			-5.47%		2.16%	
	profit before tax and finance cost	Capital employed= Net worth + long term loans + Deferred tax liability					
	40	2,752		(142)	2,596	59.84	2773.36
Return on investments	0.00			-0.08		-0.08	
	Operating profit	Capital employed= Net worth + long term loans + Deferred tax liability					
	9.67	2,751.96		(202)	2,596	-215.7604	2773.36

MANAGEMENT DISCUSSION AND ANALYSIS CONDITION AND RESULTS OF OPERATION

The following discussion of our financial condition and results of operations should be read in conjunction with the “Restated Financial Statements” beginning on page 89. Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read “Risk Factors” and “Forward Looking Statements” beginning on page 21 and 14, respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.

Our financial statements included in this Letter of Offer are prepared in accordance with Indian GAAP, which differs in certain material respects from the accounting standards such as IFRS. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for FY23, FY22 and FY21 included herein is based on the Financial Statements, included in this Letter of Offer. For further information, see “Restated Financial Statements” beginning on page 89 of this Letter of Offer.

OVERVIEW OF OUR BUSINESS

SGRL is an innovative life sciences company with a refreshingly human approach to the way the Company does business. The Company is one of the leading suppliers of Pharmaceutical Intermediates & Specialty Chemicals with Chlorination, Grignard Reaction, Hydrogenation, and High-vacuum distillation at its core expertise. The Company excels in chemistry of Pharmaceutical Intermediates which form the building blocks of the active pharmaceutical ingredient (API).

Our Business Strategy

1. Capitalization of opportunity using our core chemical expertise in the development of advanced pharmaceutical intermediates for APIs, NCE, Specialty and Fine-chemicals Market.
2. Investing in innovative technology for cost efficiency, safe and eco-friendly processes.
3. Increase our existing installed capacity
4. Focus on New Product Development and R&D

For further details please see section titled “**Our Business**” on page 71 of the Letter of Offer.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled “**Risk Factors**” on page 22 of this Letter of Offer. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- Impact of epidemics and pandemics with respect to recent example of COVID-19 on our business and operations;
- General economic and business conditions in the markets in which we operate and in the local, Regional, National and International economies;
- Competition from existing and new entities may adversely affect our revenues and profitability;
- Political instability or changes in the Government(s) could adversely affect economic conditions in India and consequently our business may get affected to some extent.
- Our business and financial performance is particularly based on market demand and supply of our products;
- The performance of our business may be adversely affected by changes in, or regulatory policies of, the Indian National, State and Local Governments;
- Any downgrading of India’s debt rating by a domestic or international rating agency could have a negative impact on our business and investment returns;
- Changes in Government Policies and political situation in India may have an adverse impact on the business and operations of our Company;

- The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Financial Statements. For details of our significant accounting policies, please refer section titled “*Restated Financial Statements*” on page 89.

CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS

Except as mentioned in chapter “*Restated Financial Statements*” on page 89, there has been no change in accounting policies in last 3 years.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

The Auditors’ Report does not contain any qualification, reservation, adverse remark or disclaimer.

RESULTS OF OPERATIONS

The following table sets out selected data from the Audited Financial Statement for Financial Year ended March 31, 2023, March 31, 2022 and March 31, 2021, together with the percentage that each line item represents of our total revenue for the periods presented.

Particulars	FY23		FY22		FY21	
	₹ in Lakhs	% to total income	₹ in Lakhs	% to total income	₹ in Lakhs	% to total income
Income						
Revenue from Operations	720.40	99.61%	429.43	92.15%	129.59	36.39%
Other Income	2.85	0.39%	36.60	7.85%	226.57	63.61%
Total Income	723.25	100.00%	466.03	100.0%	356.16	100.00%
Expenses						
Cost of materials consumed	249.02	34.43%	477.40	102.44%	108.70	30.52%
Changes in inventories of finished goods, Stock-in-trade	86.99	12.03%	-231.75	-49.73%	-10.20	-2.86%
Employee Benefit Expenses	81.50	11.27%	83.21	17.86%	63.98	17.96%
Finance Cost	27.22	3.76%	23.55	5.05%	49.04	13.77%
Depreciation and amortization expense	109.47	15.14%	111.75	23.98%	45.70	12.83%
Other Expenses	156.52	21.64%	167.54	35.95%	88.13	24.74%
Total Expenses	710.73	98.27%	631.70	135.55%	345.35	96.96%
Profit before tax	12.53	1.73%	-165.67	-35.55%	10.80	3.03%
Tax Expense	- 47.34	-6.55%	23.20	4.98%	27.58	7.74%
'Restated Profit (loss) for a period for a period	59.87	8.28%	-188.87	-40.53%	-16.78	-4.71%

Total income

Our revenue comprises of:

Revenue from operations

Our revenue from operations arises out of sale of products.

Other Income

Our Other income is from Interest Income, rents, sale of fixed assets, rebate and discounts.

Expenses

Our expenses consist of (i) cost of materials consumed (ii) changes in inventories (iii) employee benefit expenses; (iv) depreciation and amortisation expense; and (vi) other expenses.

Employee benefit expenses

Employee benefit expense consists of salaries, incentives, remuneration to whole time directors, gratuity and staff welfare expenses.

Depreciation and amortisation expenses

Depreciation and amortization expenses consist of depreciation, plant and equipment comprising of plant & Machinery, Furniture & Fixtures, Office equipment, Computer and Lab equipment.

Other expenses

Other expenses include rent, rates and taxes, factory rent, security services, professional fees, power & fuel, hotel, food and boarding charges, repairs and maintenance, printing & stationery, travelling & conveyance, auditors remuneration, miscellaneous expenses and bad debts.

Tax expenses

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or credit is recognized based on the difference between taxable profit and book profit due to the effect of timing differences and treatment of expenses. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

Comparison of Historical Results of Operations of FY23 to FY22**Total Income**

Our total revenue, which comprised of revenue from operations and other income, for the Financial Year 2023, was ₹ 723.25 Lakhs as compared to ₹ 466.03 Lakhs for the Financial Year 2022 representing an increase of over 55.19%.

Revenue from operations

Our revenue from operations, for the Financial Year 2023, was ₹ 720.40 Lakhs as compared to ₹ 429.43 Lakhs for the Financial Year 2022 representing an increase of over 67.76%.

Other income

Our other income decreased by ₹33.75 Lakhs or 92.20% from ₹ 36.60 Lakhs in Financial Year 2022 to ₹2.85 Lakhs in the Financial Year 2023.

Expenses

Total expenses increased by ₹79.02 Lakhs or by 12.51% from ₹ 631.70 Lakhs in Financial Year 2022 to ₹ 710.73 Lakhs in Financial Year 2023.

Cost of Materials Consumed

Our Cost of Materials consumed decreased by ₹228.38 Lakhs or by 47.84% from ₹477.40 Lakhs in Financial Year 2022 to ₹ 249.02 Lakhs in Financial Year 2023.

Change in Inventories

Our inventories were ₹ (231.75) Lakhs in Financial Year 2022 as compared to ₹ 86.99 Lakhs in Financial Year 2023.

Employee benefit expenses

Employee benefits expense reduced by ₹ 1.71 Lakhs or by 2.05% from ₹ 83.21 Lakhs in Financial Year 2022 to ₹ 81.50 Lakhs in Financial Year 2023.

Finance costs

Our finance costs expense increased by ₹ 3.67 Lakhs or by 15.60% from ₹23.55 Lakhs in Financial Year 2022 to ₹ 27.22 Lakhs in Financial Year 2023.

Depreciation and Amortisation Expense

Our depreciation and amortization expense reduced by ₹ 2.28 Lakhs or by 2.04% from ₹ 111.75 Lakhs in Financial Year 2023 to ₹ 109.47 Lakhs in Financial Year 2022.

Other expenses

Our other expenses decreased by ₹11.02 Lakhs or by 6.58% from ₹167.54 Lakhs in Financial Year 2022 to ₹156.52 Lakhs in Financial Year 2023.

Profit/Loss before Tax

In light of above discussions, our profit before tax increased substantially by ₹178.20 Lakhs or by 10.7.56% from a loss of ₹ 165.67 Lakhs in Financial Year 2022 to a profit of ₹ 12.53 Lakhs in Financial Year 2023.

Taxation

Our current taxes decreased from ₹23.20 Lakhs in Financial Year 2022 to ₹47.34 Lakhs during the Financial Year 2023.

Profit/Loss after Tax

For the various reasons discussed above, and following adjustments for tax expense, we recorded a profit of ₹ 59.87 Lakhs in Financial Year 2023 as compared to a loss of ₹188.87 Lakhs in the Financial Year 2022 which was an increase in Profit after tax by 131.70%.

Comparison of Historical Results of Operations of FY22 to FY21

Total Income

Our total revenue, which comprised of revenue from operations and other income, for the Financial Year 2022, was ₹ 466.03 Lakhs as compared to ₹ 356.16 Lakhs for the Financial Year 2021 representing an increase of over 30.85%.

Revenue from operations

Our revenue from operations, for the Financial Year 2022, was ₹ 429.43 Lakhs as compared to ₹ 129.59 Lakhs for the Financial Year 2021 representing a decrease of over 231.38%.

Other income

Our other income decreased to ₹ 36.60 Lakhs in Financial Year 2022 from ₹226.57 Lakhs in the Financial Year 2021.

Expenses

Our expenditure increased by ₹ 286.35 Lakhs or by 82.92% from ₹ 345.35 Lakhs in Financial Year 2021 to ₹ 631.70 Lakhs in Financial Year 2022.

Cost of Materials Consumed

Our Cost of Materials consumed increased by ₹ 368.71 Lakhs or by 339.21% from ₹ 108.70 Lakhs in Financial Year 2021 to ₹ 477.41 Lakhs in Financial Year 2022.

Change in Inventories

Our inventories were ₹ (231.75) Lakhs in Financial Year 2022 as compared to ₹ (10.20) Lakhs in Financial Year 2021.

Employee benefit expenses

Employee benefits expense increased by ₹ 19.23 Lakhs or by 30.06% from ₹ 63.98 Lakhs in Financial Year 2021 to ₹ 83.21 Lakhs in Financial Year 2022.

Finance costs

Our finance costs expense decreased by ₹ 25.49 Lakhs or by 51.98% from ₹ 49.04 Lakhs in Financial Year 2021 to ₹ 23.55 Lakhs in Financial Year 2022.

Depreciation and Amortisation Expense

Our depreciation and amortization expense increased by ₹ 66.05 Lakhs or by 144.53% from ₹ 45.70 Lakhs in Financial Year 2021 to ₹ 111.75 Lakhs in Financial Year 2022.

Other expenses

Our other expenses increased by ₹ 79.41 Lakhs or by 90.11% from ₹ 88.13 Lakhs in Financial Year 2021 to ₹ 167.34 Lakhs in Financial Year 2022.

Profit/Loss before Tax

In light of above discussions, our profit before tax decreased substantially by ₹ 176.47 Lakhs from a profit of ₹ 10.80 Lakhs in Financial Year 2021 to a loss of ₹ 165.67 Lakhs in Financial Year 2022.

Taxation

Our current taxes decreased by ₹ 2.38 Lakhs during the Financial Year 2022.

Profit/Loss after Tax

For the various reasons discussed above, and following adjustments for tax expense, we recorded a loss of ₹ 188.87 Lakhs in Financial Year 2022 as compared to a loss of ₹ 16.78 Lakhs in the Financial Year 2021 which was an increase in loss after tax by 1025.57%.

INFORMATION REQUIRED AS PER ITEM SCHEDULE VI TO THE SEBI REGULATIONS:

1. Unusual or infrequent events or transactions Except as described in this Letter of Offer, there have been no other events or transactions that, to our knowledge, may be described as “unusual” or “infrequent”.
2. Significant economic changes Our Company’s operations are dependent on the general economic conditions and any changes in economic conditions may have an adverse impact on the entire industry and consequently on our operations.
3. Known trends or uncertainties Except as described in “***Risk Factors***” and “***Management Discussion and Analysis of Financial Condition and Results of Operations***” in this Letter of Offer, our Company believes there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.
4. The extent to which material increase in net sales or revenues are due to increased sales volume, introduction of new products or increased sales prices.
5. New Products or business segments Other than as described in “***Our Business***” in this Letter of Offer, our Company is not planning to introduce any new products or business segments.
6. Business segment in which our Company operates: Chemical
7. Seasonality of business Our business & level of operations are not seasonal in nature. Our business depends upon the market condition.
8. Dependence on single or few clients Our Company’s operations are not dependent on a particular client or group of clients.
9. Competitive conditions: For details of competition please refer to section “***Our Business***” on page 71 of the Letter of Offer.

RELATED PARTY TRANSACTIONS

For details of our related party transactions, see “*Restated Financial Statements - Related Party Transactions*” on page 89 in this Letter of Offer.

MATERIAL DEVELOPMENTS

Except as disclosed in the Letter of Offer there are no significant developments or circumstances that have arisen since March 31, 2023, the date of the last financial statements included in this Letter of Offer.

MARKET PRICE INFORMATION

The Equity Shares are listed on the NSE Emerge platform of NSE Limited since 20th November 2015. The Rights Equity Shares will be listed on the NSE Emerge platform pursuant to the Issue. For further details, see “*Terms of the Issue*” on page 135.

We have received in-principle approvals for listing of the Rights Equity Shares on the Stock Exchange to be issued pursuant to the Issue from the NSE dated July 07, 2023. Our Company will also make applications to NSE to obtain the listing and trading approvals from the Stock Exchanges for the Rights Entitlements as required under the SEBI Rights Issue Circular.

For the purpose of this section, unless otherwise specified:

1. Year is a Financial Year;
2. Average price is the average of the daily closing prices of our Equity Shares for the year, or the month, as the case may be;
3. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of our Equity Shares, for the year, the month, or the week, as the case may be; and
4. In case of 2 days with the same high / low / closing price, the date with higher volume has been considered. Stock Market Data of the Equity Shares (NSE)

The following table sets forth the high, low and average market price of the Equity Shares recorded on the NSE during the preceding 3 Fiscal and the number of the Equity Shares traded on the days when the high and low prices were recorded:

Fiscal	High (₹)	Date of High	Volume on date of high (No. of Equity Shares)	Total Volume on Date of high (₹)	Low (₹)	Date of low	Volume on date of low (No. of Equity Shares)	Total Volume on date of low (₹)	Average market price (₹)
2023	35.15	13 March, 2023	2,04,000	66,97,800	8.25	01 April, 2022	6000	49,500	17.18
2022	12.00	17 September, 2022	6,000	72,000	8.25	22 July, 2022	6,000	49,500	10.29
2021	12.75	18 May, 2020	24,000	3,06,000	9.50	22 March, 2021	1,02,000	10,12,200	11.46

(Source: www.nseindia.com)

The total number of Equity Shares traded on the NSE during the last 6 months from December 23, 2022 to June 22, 2023 was 1,61,58,000 Equity Shares for 122 trading days. The average volume of Equity Shares traded on the NSE during the last 6 months was 132443 Equity Shares per day.

The high and low prices and volume of Equity Shares traded on the respective date on the NSE during the last 6 months preceding the date of filing of this Letter of Offer are as follows:

Month	High (₹)	Date of High	Volume on Date of high (No. of Equity Shares)	Total Volume on date of high (₹)	Low (₹)	Date of low	Volume on date of low (No. of Equity Shares)	Total Volume on date of low (₹)	Average market price (₹)
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February, 2023	23.95	28 February, 2023	1,38,000	33,05,100	16.65	17 February, 2023	42,000	7,34,700	19.69
March, 2023	35.15	13 March, 2023	2,04,000	66,97,800	24.15	27 March, 2023	60,000	14,92,800	28.30
April, 2023	30.20	05 April, 2023	90,000	25,96,800	21.50	26 April, 2023	1,80,000	39,16,200	25.62
May 2023	26.00	02 May, 2023	66,000	16,05,000	17.00	12 May, 2023	2,64,000	45,17,400	18.55
June 2023	22.10	22 June, 2023	3,90,000	84,65,700	14.90	13 June, 2023	1,92,000	29,69,100	19.65
July 2023	25.75	06 July, 2023	78,000	19,26,600	19.95	17 July, 2023	54,000	10,93,500	22.32
August 2023	21.15	03 August, 2023	12,000	2,53,800	19.2	01 August, 2023	30,000	5,81,100	20.04

The Board of our Company has approved the Issue at their meeting held on March 14, 2023. The high and low prices of our Company's shares as quoted on the NSE on March 14, 2023, the day on which the trading happened immediately following the date of the Board meeting is as follows:

Date	Volume (No. of equity shares)	Highest Price (₹)	Low price (₹)
NSE			
March 14, 2023	1,74,000	33.40	30.25

Source: www.nseindia.com

The closing market price of the Equity Shares as on August 03, 2023 i.e., one day prior to filing of this Letter of Offer was ₹ 21.15 on the NSE. The Issue Price is ₹ 77 per Rights Equity Share.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND DEFAULTS

Except as disclosed in this section, there are no outstanding (i) criminal proceedings; (ii) actions taken by regulatory or statutory authorities; (iii) litigation involving claims related to direct and indirect taxes; and (iv) other pending litigation as determined to be material as per the materiality policy adopted pursuant to the Board resolution dated May 13, 2023, in each case involving our Company, its Subsidiaries, Promoters and Directors (“Relevant Parties”).

For the purpose of identification of material litigation in (iv) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigation to be disclosed by our Company in this Letter of Offer pursuant to the Board resolution dated May 13, 2023. Accordingly, disclosures of the following types of litigation involving Company, Directors, Promoters or Subsidiaries have been included.

All outstanding litigation, including any litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary actions including any penalty imposed by SEBI or stock exchanges against the Promoters in the last five financial years including any outstanding actions, and tax matters (direct or indirect), would be considered ‘material’ in the following circumstances:

- i. The aggregate monetary claim made by or against the Company, its promoters and / or its directors, (individually or in the aggregate), in any such pending litigation / arbitration proceeding is equal to or exceeds, an amount of (i) 3% of the total revenues of our Company derived from the most recently completed fiscal year as per the Restated Financial Information included in such Issue Documents;*
- ii. Any such litigation wherein a monetary liability is not quantifiable, or which may not meet the threshold as specified in (i) above, but the outcome of which could, nonetheless, have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of the Company, irrespective of the amount involved in such litigation; or*
- iii. Litigation where the decision in one litigation is likely to affect the decision in similar litigation, even though the amount involved in an individual litigation is equal to or exceeds, an amount of (i) 3% of the total revenues of our Company derived from the most recently completed fiscal year as per the Restated Financial Information included in such Issue Documents*

Further, pre-litigation notices received by the Company, its subsidiaries, its promoters, its directors or a group company (collectively the “Relevant Parties”) from third parties (excluding those notices issued by statutory / regulatory / tax authorities or notices threatening any criminal action) shall, unless otherwise decided by the Board, not be considered a material litigation until such time that the relevant party is impleaded as a defendant in proceedings before any judicial / arbitral forum. Further, FIRs initiated against the Company, its subsidiaries, its directors, and its promoters, shall be disclosed in the Issue Documents.

Further, except as disclosed in this section, there are no disciplinary actions including penalties imposed by the SEBI or the stock exchanges against our Promoters in the last five Financial Years including any outstanding action.

Our Company has a “Policy on determination of materiality” framed in accordance with Regulation 30 of the SEBI LODR Regulations and adopted by the Board. There is no outstanding litigation that has been considered material in accordance with our Company’s “Policy on determination of materiality” and accordingly, there is no such outstanding litigation involving the Relevant Parties that requires disclosure in this Letter of Offer.

Litigation involving our Company

Litigation against our Company

Criminal Proceedings

Cases under section 138 of the Negotiable Instruments Act, 1881

Our Company is involved in CC NI Act 4803/2022, 3633/2021, 7322/2022 Saket, Delhi, SA 100939/2021 Esplanade Mumbai, pending before respective forums, wherein complaints under section 138 of the Negotiable Instruments Act, 1881 is filed against our Company due to alleged default in payment of amount approximating to Rs. 450 Lacs. A few matters are currently pending before the respective forums whereas few has been referred by Court for Mediation.

Civil Proceedings

1. ***ICICI Bank ("The Bank") v/s Perfect Infraengineers Limited ("Company") and Ors (OA 326 of 2021 in DRT II, Mumbai r/w Special Leave Petition No. 6638/2023 in Supreme Court/SC Suit No. 11395 of 2021/ AO 551 /AO 552, Notice of Motion No. 3684/2022 in City Civil Court at Bombay, SA 402/2022 in DRT Pune and 378/2022 in DRAT Mumbai, Writ Petition No. 35792 of 2022, OS Writ Petition 28510/2022 and Cr Writ Petition 15091/22/ SC Suit No. 1017 of 2022 and other ancillary filings[AO 6444/23 Bombay HC, WP 8302/2023 Bombay HC, WP 24995/2022, case 35 of 2022 in Competition commission of India ,IA 5527/23 Bombay HC, AO6444/2023 Bombay HC, IA 2378/2022 DRT Pune, IA 1241/2022 DRT Pune, AO1064/2022 Bombay HC, IA 19184/2022 Bombay HC].***

The Company, falling under the category of MSME, had availed certain financial facility from the Bank in year 2013, 2014 and thereafter in 2015. In year 2018, the Company has also received a sanction of certain credit facilities from Technology Development Board ("TDB"). However, in year 2020, the Bank declared the Company's bank account as NPA by creating an alleged artificial deficit in the account. As a consequence of the Account being classified as NPA, TDB also blocked the release of remaining sanction facilities and filed an application under section 7 of Insolvency and Bankruptcy Code, 2016 Hon'ble National Company Law Tribunal, Mumbai to initiate Corporate Insolvency Resolution process. The matter is yet to be heard and initiated by the NCLT. However, Company contends that the blocking of remaining credit facility by TDB was bad in law and therefore, Company has made TDB parties to all the suit filed by the Company against Bank.

After declaring the Company's account NPA, Bank, without recognising the benefits available to MSMEs, proceeded with recovery proceedings at DRT Mumbai and issued notice under section 13(2) of the SARFAESI Act and without following the due procedure of law, the authorised officer of Bank proceeded with application under section 14 of the SARFAESI Act to take physical possession of company's property situated at Lavasa, Maharashtra. Thereafter, the Company approached the appropriate legal forums for equitable, just and statutory remedies against the Bank. However, the possession of property of the Company was taken by the Court Commissioner, Authorized Officer and ICICI Bank officials in presence of Police.

The Company filed appeal, before the Hon'ble High Court of Judicature at Bombay, for restoration of possession of property. The Hon'ble High Court of Bombay directed the concerned Ld. Civil Court to expedite the Notice of Motions for Restoration and injunction. However, the Bank issued an Auction Notice to put the Company's property into Auction on January 4, 2023. The said Notice of Motions for restoration and injunction was rejected by Ld. Civil Court. However, the Company obtained an injunction from Bombay High Court and Company filed a special leave petition to declare the classification of Company's account as NPA was bad in law and was carried out without extending the benefits given to MSME's under the Notification S.O 1432(E) dated May 29, 2015 (which provides for a framework of rehabilitation of MSME's).

The Company further moved to the Hon'ble Supreme Court and filed a Special Leave Petition in the matter. The Hon'ble Supreme Court vide its order dated May 15, 2023, relegated the matter to the Hon'ble Bombay High Court to determine on the subject matter. The matter is currently pending before the Hon'ble High Court at Bombay.

Actions taken by Regulatory or Statutory Authorities

Nil

Litigation by our Company

Criminal Proceedings

Nil

Civil Proceedings

1. ***ICICI Bank ("The Bank") v/s Perfect Infraengineers Limited ("Company") and Ors (OA 326 of 2021 in DRT II, Mumbai r/w Special Leave Petition No. 6638/2023 in Supreme Court/SC Suit No. 11395 of 2021/ AO 552, Notice of Motion No. 3684/2022 in City Civil Court at Bombay, SA 402/2022 in DRT Pune and 378/2022 in DRAT Mumbai, Writ Petition No. 35792 of 2022, OS Writ Petition 28510/2022 and Cr Writ Petition 15091/22/ SC Suit No. 1017 of 2022 and other ancillary filings [AO 6444/23 Bombay HC, WP 8302/2023 Bombay HC, WP 24995/2022, case 35 of 2022 in Competition commission***

of India ,IA 5527/23 Bombay HC, AO6444/2023 Bombay HC, IA 2378/2022 DRT Pune, IA 1241/2022 DRT Pune, AO1064/2022 Bombay HC, IA 19184/2022 Bombay HC]

For further details in relation to civil proceedings involving our Company, see “**Outstanding Litigation and Defaults - Litigation against our Company– Civil Proceedings**” on page 124 of this Letter of Offer

2. M/s Perfect Infraengineers Limited ("Company") v/s L.G Electronics India Private Limited ("LGEIPL") (Case No. 35/2022)

The Petitioner filed an original petition (“**Petition**”) before the Competition Commission of India at New Delhi against LGEIPL dated September 9, 2022. Our Company has alleged that the refusal of LGEIPL to install Company’s HTS Panels as pilot project for Envirocare and Delhi Metro Rail Corporation (DMRC) and further refusal to supply AC spare parts to them if HTS panels of Company are installed with LG VRF AC machines, violates Section 3(1), 4(1), 4(2)(a)(i), 4(2)(b), 4(2)(c), 4(2)(d) read with Section 18 and 19 of the Competition Act, 2002 (“**Act**”).

Furthermore, an interlocutory application (*IA No. 1 of 2022*) was filed by our Company, under Section 24 of the Act, on November 23, 2022 to implead Daikin Airconditioning Private Limited (“**Daikin**”) as a respondent in this Petition, claiming that Daikin being a foreign company, fraudulently and with ulterior motive have also taken advantage of its dominant position in the market to restraint its major customers from installing the HTS panels manufactured by our Company. Later, LGEIPL submitted its reply to the petition dated December 23, 2022, to which our Company responded by filing a rejoinder dated January 17, 2023. Our company later filed an interlocutory application under Section 33 of the Act, on March 3, 2023, to grant an urgent ad-interim relief to our Company in nature of prohibitory and mandatory injunction to be issued against the respondents. However, due to the lack of the quorum at the Competition Commission, our Company has filed a writ petition (*WP No. 8302 of 2023*) in the High Court of Judicature at Bombay dated March 24, 2023 to fill the vacancies in the Competition Commission of India panel and to issue ad-interim injunction pending the disposal of the case. The matter is presently pending.

Litigation involving our Promoters

Litigation against Promoters

Criminal Proceedings

For further details in relation to criminal proceedings involving our Promoters, see “**Outstanding Litigation and Defaults –Litigation against our Company–Criminal Proceedings**” on page 124.

Civil Proceedings

For further details in relation to civil proceedings involving our Promoters, see “**Outstanding Litigation and Defaults –Litigation against our Company–Civil Proceedings**” on page 124

Actions taken by Regulatory or Statutory Authorities

Nil

Litigation by Promoters

Criminal Proceedings

1. Our Promoter, Manisha Mehta has filed a criminal petition bearing no. 15091 of 2022 against ICICI Bank and others before the Hon'ble Court Judicature at Bombay on August 30, 2022 which is connected with ICICI Bank ("The Bank") v/s Perfect Infraengineers Limited ("Company") and Ors (OA 326 of 2021 in DRT II, Mumbai r/w Special Leave Petition No. 6638/2023 in Supreme Court/SC Suit No. 11395 of 2021/ AO 551 /AO 552, Notice of Motion No. 3684/2022 in City Civil Court at Bombay, SA 402/2022 in DRT Pune and 378/2022 in DRAT Mumbai, Writ Petition No. 35792 of 2022, OS Writ Petition 28510/2022 and Cr Writ Petition 15091/22/ SC Suit No. 1017 of 2022 and other ancillary filings For details, please refer “**Outstanding Litigation and Defaults - Litigation against our Company– Civil Proceedings**” on page 124 of this Letter of Offer.

Material Litigation

Nil

Civil Proceedings

1. Mrs. Manisha Nimesh Mehta and others v/s State of NCT (Writ Petition (CRL) 2570/2022)

Mrs. Manisha Nimesh Mehta and Mr. Nimesh Mehta ("**Petitioners**") filed a writ petition against the State Government of NCT of Delhi and others ("**Respondents**") for seeking appropriate direction to call for entire records of *Complaint Case No. CC N.I Act 3633 of 2021* wherein the Ld. Metropolitan Magistrate No.4, Saket Court, New Delhi has enlarged the Petitioners on bail but later issued a Non-Bailable warrant against the Petitioner vide an order dated July 30, 2022. Hence, the Petitioners filed the writ to quash the order of Ld. Metropolitan Magistrate No.4, Saket Court, New Delhi to issue Non-Bailable warrants against the Petitioners. The matter is currently pending.

For further details in relation to civil proceedings involving our Promoters, see "**Outstanding Litigation and Defaults – Litigation against our Company– Civil Proceedings**" on page 124 of this Letter of Offer.

Disciplinary action including penalty against the Promoters by SEBI or any stock exchange in the last five Fiscals

No disciplinary action has been taken or penalty has been imposed against our Promoters by SEBI or Stock Exchanges in the past five years as on date of this Letter of Offer.

Litigation involving our Directors

Litigation against our Directors

Criminal Proceedings

For further details in relation to criminal proceedings involving our Directors, see "**Outstanding Litigation and Defaults - Litigation against our Company– Criminal Proceedings**" on page 124 of this Letter of Offer

Civil Proceedings

For further details in relation to civil proceedings involving our Directors, see "**Outstanding Litigation and Defaults - Litigation against our Company– Civil Proceedings**" on page 124 of this Letter of Offer

Actions taken by Regulatory or Statutory Authorities

Nil

Litigation by our Directors

Criminal Proceedings

For further details in relation to criminal proceedings involving our Directors, see "**Outstanding Litigation and Defaults - Litigation by our Promoters – Criminal Proceedings**" on page 124 of this Letter of Offer

Civil Proceedings

For details in relation to civil proceedings by our Directors, see "**Outstanding Litigation and Defaults - Litigation by our Company– Civil Proceedings and Litigation by our Promoters – Civil Proceedings**" on page 124 of this Letter of Offer.

Tax Proceedings

(in ₹ crores)

Particulars	No. of cases	Amount involved
Litigation involving our Company		
Direct Tax	6	2.33
Indirect Tax	3	1.7
Litigation involving our Promoters		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Litigation involving our Directors		
Direct Tax	10	0.05
Indirect Tax	Nil	Nil

Particulars	No. of cases	Amount involved
Total	19	4.07

Outstanding dues to Creditors

As of March 31,2023, our Company has 125 creditors (including micro, small and medium enterprises), and the aggregate outstanding dues to these creditors by our Company are Rs 151.83 Lacs. Our Company is indebted to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 and the aggregate outstanding dues are ₹ 3.27 Lacs.

Details of outstanding dues owed to micro, small and medium enterprises and other creditors as of March 31,2023, are set out below:

(in ₹ Lacs)

Type of creditors	Number of creditors	Amount involved
Material creditors	Nil	Nil
Micro, Small and Medium Enterprises	1	3.27
Other creditors	124	151.83
Total	125	155.10

Material Developments

Other than as stated in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 116, there have not arisen, since the date of the Limited Reviewed Financial Statements disclosed in this Letter of Offer, any circumstances which materially and adversely affect, or are likely to affect, our trading, our profitability or the value of our assets or our ability to pay our liabilities within the next six months.

Other Matters

Nil

Disclosure Pertaining to Wilful Defaulter(s) or Fraudulent Borrower(s)

Our Company, Promoters, and our Directors have not been categorized or identified as Wilful Defaulter(s) or Fraudulent Borrower(s).

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has obtained necessary consents, licenses, permissions and approvals from governmental and regulatory authorities that are material for carrying 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.

We are not required to obtain any licenses or approvals from any governmental and regulatory authorities in relation to the objects of this Issue. For further details, please refer to "*Objects of the Issue*" beginning on page 46 of this Letter of Offer.

OTHER REGULATORY AND STATUTORY APPROVALS

Authority for the Issue

The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on March 14, 2023.

The Draft Letter of Offer has been approved by the Rights Issue Committee on June 23, 2023 pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

Our Rights Issue Committee in its meeting held on July 26, 2023 has resolved to issue Equity Shares to the Eligible Equity Shareholders, at ₹ 18 per Equity Share (including a premium of ₹ 8 per Equity Share), in the ratio of 58 Equity Shares for every 100 Equity Share as held on the Record Date. The Issue Price of ₹ 18 per Equity Share has been arrived at, prior to determination of the Record Date.

Our Company has received “In-Principal Approval” from NSE vide their letter dated July 07, 2023 in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in this Issue. Our Company will also make applications to NSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN INE925S20012 for the Rights Entitlements to be credited to the respective Demat accounts of the Equity Shareholders of our Company. For details, see “*Terms of the Issue*” beginning on page 135.

Association of our Directors with securities market

None of our Directors are associated with the securities market.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Letter of Offer.

Further, our Promoters and our Directors are not promoter or director of any other company which is debarred 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. None our Directors or Promoter is associated with the securities market in any manner. Further, there is no outstanding action initiated against any of our Directors or Promoters by SEBI in the five years preceding the date of filing of this Letter of Offer.

Neither our Promoters nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018.

Prohibition by RBI

Neither our Company nor our Promoters or any of our Directors have been identified or categorized as wilful defaulter(s) or fraudulent borrower(s).

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on BSE. 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. Further, our Company is undertaking this Issue in compliance with Part B - Clause 1 of Schedule VI 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. 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 and has received their “In-Principle Approvals” for listing of the Rights Equity Shares to be issued pursuant to this Issue. NSE is the Designated Stock Exchange for this 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 ₹ 1,500 Lakhs. The present Issue being of less than ₹ 5,000 lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI ICDR Regulations and our Company shall file the copy of the Letter of Offer prepared in accordance with the SEBI ICDR Regulations with SEBI for information and dissemination on the website of SEBI i.e., www.sebi.gov.in.

Disclaimer clauses from our Company

Our Company accept no responsibility for statements made otherwise than in 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 anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in this Issue will be deemed to have represented by our Company and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue.

CAUTION

Our Company shall make all 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 of this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Our Company, and its directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

Disclaimer in respect of Jurisdiction

This 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 Mumbai, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is NSE.

Disclaimer Clause of NSE

As required, a copy of the Draft Letter of Offer has been submitted to NSE. The disclaimer clause as intimated by NSE to us, post scrutiny of the Draft Letter of Offer, shall be included in this Letter of Offer prior to filing with SEBI and the Stock Exchanges.

Listing

Our Company will apply to NSE 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.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE

UNITED STATES. THE OFFERING TO WHICH THE LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICIATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

Consents

Consents in writing of (a) each of our Directors, Legal Advisor, Registrar to the Issue, Statutory Auditor, have been obtained, and such consents have not been withdrawn up to the date of the Letter of Offer; of (b) Banker(s) to the Issue will be obtained up to the date of the Letter of Offer.

Expert

Our Company has received written consent dated May 13, 2023 from the Statutory Auditors, JCR & Co. LLP, Chartered Accountants to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Letter of Offer as an “*expert*” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated June 22, 2023 on our Restated Financial Statement for the financial years ended March 31, 2023, March 31, 2022, March 31, 2021; and (ii) the statement of tax benefits dated June 03, 2023 included in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Letter of Offer.

In addition, our Company has received written consent dated 30th May, 2023 from the Mr Shripad.V. Kale, Chartered Engineer, to include their name in this Letter of Offer as ‘Expert’ as defined under Section 2(38) of the Companies Act, 2013, in respect of the certificates issued by them in their capacity as an independent chartered engineer. Such consent has not been withdrawn as at the date of this Letter of Offer.

Except for the abovementioned documents, provided by our Auditors and Engineer, our Company has not obtained any expert opinions.

Performance vis-à-vis objects – Public/Rights Issue of our Company

Our Company has not undertaken any public or rights issue in the preceding five years.

Performance vis-à-vis objects – Last issue of listed Subsidiaries or Associates

Our Company does not have any listed Subsidiary or Associates as on the date of this Letter of Offer.

Stock Market Data of the Equity Shares

Our Equity Shares are listed on NSE. Our Equity Shares are traded on NSE. For details in connection with the stock market data of the Stock Exchanges, please refer to the chapter titled “*Market Price Information*” beginning on page 122 of this Letter of Offer.

Filing

The Draft Letter of Offer has been filed with the SME platform of NSE for seeking its in-principle approval for the proposed Issue in terms of SEBI ICDR Regulations. In accordance with the SEBI ICDR Regulations, our Company shall file a copy of the Letter of Offer with the SME platform of NSE and the SEBI at its office located at SEBI Bhavan, Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India and through the SEBI Intermediary portal at <https://siportal.sebi.gov.in> in terms of the SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, for the purpose of their information and dissemination on its website.

Investor Grievances and Redressal System

Our Company has adequate arrangements for the redressal of investor complaints. Redressal norm for response time for all correspondence including shareholders complaints is within 15 (fifteen) days. Additionally, we have been registered with SCORES, as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Letters are filed category wise after being duly attended. A well-arranged correspondence system has been developed for letters of a routine nature.

Our Company has constituted Stakeholders Relationship Committee which currently comprises of Nimesh Mehta- Chairperson, Rakesh Chauhan – Member and Manisha Mehta - Member

Our Company provides easy access to information regarding our services and ensure timely disclosures of financial as well as non-financial material information. Grievances are resolved in a timely, efficient and fair manner, and processes are promptly initiated to prevent recurrence.

GRIEVANCE REDRESSAL MECHANISM

The Company has an established mechanism for investor services and grievance handling, with RTA and the Compliance Officer of the Company for this purpose, being important functional nodes.

Some of the key steps undertaken by the Company for handling Investor Grievances are enumerated as follows:

- Kfin Technologies Limited (RTA) is entrusted with handling all share related matters.
- Investors can lodge a complaint by giving details of their name, folio no., DP ID / Client ID, nature and full particulars of their complaint directly to the company at cs@perfectinfra.com
- All the investor complaints/grievance received through SEBI by online “SEBI Complaints Redress System” (SCORES) are checked regularly and replied/resolved expeditiously.
- As required under Regulation 13 of the Listing Regulations, the Company files with the Stock Exchanges and places the statement of investor complaints at the Board meeting on a quarterly basis.

Status of outstanding investor complaints

As on the date of this Letter of Offer, there were no outstanding Investor complaints. As mentioned, our Company is registered with the SCORES. Consequently, Investor grievances are tracked online by our Company. The average time taken by the Registrar to the Issue for attending to routine grievances will be within 30 (thirty) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

Investor Grievances arising out of the Issue

Any investor grievances arising out of the Issue will be handled by the Registrar to the Issue. The agreement between the Company and the Registrar to the Issue provides for a period for which records shall be retained by the Registrar to the Issue in order to enable the Registrar to the Issue to redress grievances of Investors.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB in case of ASBA process, giving full details such as Folio No. / Demat Account No., name and address, contact telephone/ cell numbers, email id of the first Applicant, number of Rights Equity Shares applied for, serial number of Application Form, amount blocked (in case of ASBA process), the name of the bank/ SCSB and the branch where the Application Form was deposited, along with a photocopy of the acknowledgement slip (in case of ASBA process). In case of renunciation, the same details of the Renouncee should be furnished. For details on the ASBA, please see the chapter titled “*Terms of the Issue*” on Page 135. Investors may contact the Compliance Officer at the below mentioned address and/ or Registrar to the Issue at the below mentioned address in case of any pre-Issue/ post-Issue related problems such as non-receipt of allotment advice / share certificates / Demat credit / refund orders etc.

Registrar to the Company:

Kfin Technologies Limited

Address: Selenium Tower-B, Plot 31&32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana, India.

Tel. No.: +91 40 6716 2222

Email: pil.rights@kfintech.com

Website: www.kfintech.com

Contact Person: M.Murali Krishna

SEBI Registration No.: INR000000221

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment / share certificates/ demat credit/ Refund Orders etc.

Maryam Bahnan, Company Secretary and Compliance Officer of our Company. Her contact details are set forth hereunder:

Tel No.: +91 9004 699 338

Email: cs@perfectinfra.com

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 ([https:// rightsissue@bigshareonline.com](https://rightsissue@bigshareonline.com)). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties is: 90004699338

SECTION VII - ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications 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 investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Relaxation Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.

Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 ("SEBI – Rights Issue Circular"), all investors (including renouncee) shall make an application for a rights issue only through ASBA facility. As per the said circular, in case the physical shareholders who have not been able to open a demat account or are unable to communicate their demat details, in terms of clause 1.3.4 of the SEBI – Rights Issue Circular, to the Company or Registrar to the Issue, for credit of REs within specified time.

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in 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 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 and who have made a request in this regard. 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.

Investors can access the 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:

- our Company at www.perfectinfra.com.
- the Registrar to the Issue at www.kfintech.com.
- the Stock Exchanges at www.nseindia.com.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the issue at 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 at www.perfectinfra.com.

Please note that neither our Company nor the Registrar shall be responsible for non- dispatch of physical copies of Issue materials, including the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Draft Letter of Offer, 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 the Draft Letter of Offer, 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 Draft Letter of Offer, Letter of Offer has been filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer, 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 the Draft Letter of Offer, 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, the Draft Letter of Offer, 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 Draft Letter of Offer, 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 Draft Letter of Offer, 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 the Draft Letter of Offer, 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 the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes an Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Equity Shares under the laws of any jurisdiction which apply to such person.

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 Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

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”* beginning on page 177 of this Letter of Offer.

Please note that one single Application Form shall be used by Investors 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 Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors 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 Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Equity 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.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein:

the ASBA Account (in case of Application through ASBA process) 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” on pages 154. Our Company and the Registrar 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, Investors 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*” beginning on page 171.

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:

- i. apply for its Equity Shares to the full extent of its Rights Entitlements; or
- ii. apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- iii. apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- iv. apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or
- v. renounce its Rights Entitlements in full.

A. Procedure for application through ASBA Facility

An Investor, 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. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branches 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.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise 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.

Self-Certified Syndicate Banks

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>.

For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

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.

Do's for Investors applying through ASBA:

- a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.
- b) 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.
- c) 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.
- d) 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.
- e) 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.
- f) 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.
- g) 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.
- h) 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 Investors applying through ASBA:

- a) Do not apply if you are not eligible to participate in the Issue under the 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 submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- d) 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.
- e) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- f) Do not submit Application Form using third party ASBA account

B. 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 or 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:

- 1. Name of our Company, being Perfect Infraengineers Limited;
- 2. 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);
- 3. Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;
- 4. 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
- 5. Number of Equity Shares held as on Record Date;
- 6. Allotment option – only dematerialised form;
- 7. Number of Equity Shares entitled to;
- 8. Number of Equity Shares applied for within the Rights Entitlements;

9. Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
10. Total number of Equity Shares applied for;
11. Total amount paid at the issue price of ₹ 18/- per Equity Share (On Application: ₹ 7 per share (including a premium of ₹ 8 per Equity Share); One or more subsequent Call(s) as determined by our Board at its sole discretion, from time to time: ₹ 11 on subsequent call)
;
12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
13. 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;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. 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
16. All such Eligible Equity Shareholders are deemed to have accepted the following:

"I/ We understand that neither the Rights Entitlements nor the Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "United States"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. I/ we understand the Equity Shares referred to in this application are being offered and sold (i) in offshore transactions outside the United States in compliance with Regulation S under the U.S. Securities Act ("Regulation S") to existing shareholders who are non-U.S. Persons and located in jurisdictions where such offer and sale of the Equity Shares is permitted under laws of such jurisdictions and (ii) within the United States or to U.S. Persons that are "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) ("U.S. QIB") pursuant to the private placement exemption set out in Section 4(a)(2) of the U.S. Securities Act, that are also "qualified purchasers" (as defined under the United States Investment Company Act of 1940, as amended) ("QPs") in reliance upon section 3(c)(7) of the U.S. Investment Company Act. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and a non-U.S. Person and eligible to subscribe for the Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and ineligible to participate in this Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the 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. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

I/ We understand and agree that the Rights Entitlements and Equity Shares may not be reoffered, resold, pledged or otherwise except in an offshore transaction in accordance with Regulation S to a person outside the United States and not reasonably known by the transferor to be a U.S. Person by pre-arrangement or otherwise (including, for the avoidance of doubt, a bona fide sale on the NSE).

I/ We acknowledge that we, 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 an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors 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 Investor. The plain paper Application format will be available on the website of the Registrar at 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 Investors' ASBA Accounts on or before the Issue Closing Date.

C. Procedure for 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.

If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such shareholders will not be allotted any Rights Equity Shares, nor such Rights Equity Shares be kept in suspense account on behalf of such shareholder. For further details, see ***"Terms of the Issue – Credit of Rights Entitlement in dematerialized account of Eligible Equity Shareholders"*** on page 135.

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:

1. 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 email, post, speed post, courier, or hand delivery so as to reach to the Registrar not later than two Working Days prior to the Issue Closing Date.
2. 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;
3. 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"*** beginning on page 171.

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.

PLEASE NOTE THAT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE I.E. TUESDAY, AUGUST 01, 2023 AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM

Application for Additional Equity Shares

Investors 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 applicable Regulations and in the manner as set out in ***“Basis of Allotment”*** beginning on page 135.

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 Investors in relation to making of an Application.

- a) Please read the 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 the 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”*** on page 135.
- d) Applications should be (i) 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, (i) 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 Investors 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 Investors.

- 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. Investors applying under this Issue should note that on the basis of name of the Investors, 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, Investors 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 Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors 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 Investor 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 Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or the Registrar shall be liable to compensate the Investor 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 Investors (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, Investors 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 Investors must sign the Application as per the specimen signature recorded with the SCSB.
- j) Investors 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. Investor 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) Investors 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 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.
- 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 an 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 not matching 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 the Registrar, to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.
- (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 an Investor 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 Investors within the time periods prescribed in the Application Form and the Draft Letter of Offer.
- (m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- (n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (o) If an Investor 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 Investor to subscribe to their Rights Entitlements.
- (p) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (q) 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.
- (r) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (s) Application from Investors 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).

Applications by non-resident Shareholders

- (a) Payment from third party bank accounts.

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 Investors 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 Entitlementment 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 *“Terms of Issue - Procedure for Applications by Mutual Funds”* on page 165.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected other than multiple applications submitted by any of our Promoters 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 Promoters”* on page 43

D. Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders:

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) 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.perfectinfra.com/).

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 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 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) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares under dispute, including any court proceedings, as applicable g) non-institutional equity shareholders in the United States.

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 INE925S20012. 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. 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.; Kfin Technologies Limited - www.kfintech.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

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, i.e., by Thursday, August 24, 2023 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account atleast 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 demataccount, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

E. Renunciation & Trading of the Rights Entitlements 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 favour 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 Exchange 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 Investors 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.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors 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 Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

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 Investors.

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 Exchange under ISIN INE925S20012 subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange 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 one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from Monday, August 14, 2023 to Friday, August 18, 2023 (both days inclusive).

The Investors 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 INE925S20012 and indicating the details of the Rights Entitlements they intend to trade. The Investors 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 the secondary market platform of NSE Emerge 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 Investors 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 INE925S20012, 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 Investors 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.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

BASIS FOR THIS ISSUE

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in the dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date i.e., Tuesday, August 01, 2023.

Terms of Payment

On Application: ₹ 7 per Rights Equity Share (including premium of ₹ 4 per Equity Share) shall be payable.

And the balance ₹ 11 per Rights Equity Share which constitutes 61.11% of the Issue Price, will have to be paid, on one or more subsequent Call(s), as determined by our Board at its sole discretion, from time to time.

Record date for Call and suspension of trading

Our Company would fix a Call Record Date giving notice, in advance of such period as may be prescribed under applicable law, to the Stock Exchanges for the purpose of determining the list of holders of the Rights Equity Shares to whom the notice for the Call would be sent. Once the Call Record Date has been fixed, trading in the Rights Equity Shares for which the call has been made may be suspended prior to the Call Record Date.

Procedure for Call for Rights Equity Shares

Our Company would convene a meeting of the Board of Directors to pass the required resolutions for making the Call and suitable intimation would be given by our Company to the Stock Exchanges. Further, advertisements for the same will be published in (i) one English national daily newspaper; (ii) one Hindi language national

daily newspaper; and (iii) one Gujarati language daily newspaper (Gujarati being the regional language of Gujarat, where our Registered Office is situated), all with wide circulation. The Call shall be deemed to have been made at the time when the resolution authorising such Call is passed at the meeting of our Board. The Call may be revoked or postponed at the discretion of the Board.

Pursuant to the provisions of the Articles of Association, the Investors would be given at least 15 days' notice for the payment of the Call. The Board may, from time to time at its discretion, extend the time fixed for the payment of the Call. Our Company, at its sole discretion and as it may deem fit, may send one or more reminders for the Call, and if it does not receive the Call Monies as per the timelines stipulated unless extended by the Board, the defaulting holders of the Rights Equity Shares will be liable to pay interest as may be fixed by the Board unless waived or our Company may forfeit the Application Money and any Call Money received for previous Call made.

Payment of Call Money

In accordance with the SEBI circular SEBI/HO/CFD/DIL1/CIR/238/2020 dated December 8, 2020 regarding additional payment mechanism (i.e. ASBA, etc.) for payment of balance money in call for partly paid specified securities issued by the listed entity, the holders of Rights Equity Shares may make payment of the Call Monies using ASBA Mechanism through the Designated Branch of the SCSB or through online/electronic through the website of the SCSBs (if made available by such SCSB) by authorizing the SCSB to block an amount, equivalent to the amount payable on Call, in the Investor's ASBA Account. The holders of Rights Equity Shares may also use the facility of linked online trading, demat and bank account (3-in-1 type account), if provided by their broker, for making payment of the Call Monies.

Separate ISIN for Rights Equity Shares

In addition to the present ISIN for the existing Equity Shares, our Company would obtain a separate ISIN for the Rights Equity Shares for each Call, until fully paid-up. The Rights Equity Shares offered under this Issue will be traded under a separate ISIN after each Call for the period as may be applicable under the rules and regulations prior to the record date for the final Call Notice. The ISIN representing the Rights Equity Shares will be terminated after the Call Record Date for the final Call. On payment of the final Call Money 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.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 58 Rights Equity Shares for every 100 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 100 Equity Shares or is not in the multiple of 100 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.

Further, the Eligible Equity Shareholders holding less than 100 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 the Draft Letter of Offer, 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 Exchange. 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 Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received In-Principle approval from the NSE through letter bearing reference number NSE/LIST/C/2023/0716 dated July 07, 2023. Our Company will apply to the Stock Exchanges for final approvals 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 this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on Emerge Platform of NSE (Symbol: PERFECT) under the ISIN: INE925S01012. The Rights 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 seven 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 eight 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 eighth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoters and members of the Promoter

For details in regards to Subscription to this Issue by our Promoters and members of the Promoter Group please refer to "*Intention and Extent of Participation by the Promoters and Promoter Group – Summary of Letter of Offer*" on page 19 of this Letter of Offer.

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 the Draft 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.

General Terms of The Issue Market Lot

The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Rights Equity Shares in dematerialised mode is one Equity Share. Further, the Rights Equity Shares shall be allotted only in dematerialised form.

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 of Rights Equity Shares shall be in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be allotted in this Issue. Nominations registered with the respective Depository Participants (“DPs”) of the Eligible Equity Shareholders (Investors) would prevail. Any Eligible Equity Shareholders (Investor) holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its respective Depository Participant.

Arrangements for Disposal of Odd Lots

The Rights Equity Shares will be traded in dematerialised form only and therefore the marketable lot is 6000 Rights Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

In accordance with the SEBI ICDR Regulations and 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. However, the Letter of offer, Abridged Letter of

Offer, Application Form and other applicable Issue materials will be made available on the websites of the Company, registrar to the issue, stock exchanges. Further, best efforts will be made to reach out the Eligible Equity Shareholders who have not registered their e-mail id with our Company including but not limited to sending SMS or audio-visual advertisement on television or digital advertisement, etc.

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 Marathi language daily newspaper with wide circulation (Marathi being the regional language of Maharashtra, where our Registered Office is situated).

The Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the StockExchanges for making the same available on their websites.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Rights Equity Shares to non-resident Equity Shareholders including additional Rights 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 Rights 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 Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor 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 ris@kfintech.com. It will be the sole responsibility of the investors 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 to the email address of non-resident Eligible Equity Shareholders 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 the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchanges. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights 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 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 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 the office of the registrar to the issue at Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana India - 500 032 or e-mail at ris@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 INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 190.

ISSUE SCHEDULE

Issue Opening Date	Monday, August 14, 2023
Last date for on-market renunciation of rights / Date of closure of trading of Rights Entitlement [#]	Friday, August 18, 2023
Issue Closing Date*	Thursday, August 24, 2023
Finalising the basis of allotment with the Designated Stock Exchange (on or about)	On or about Wednesday, August 30, 2023
Date of Allotment (on or about)	On or about Thursday, August 31, 2023
Date of credit (on or about)	On or about Tuesday, September 05, 2023
Date of trading (on or about)	On or about Tuesday, September 05, 2023

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., Friday, August 18, 2023 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., Friday, August 18, 2023. 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.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process instituted only for resident Investors in this Issue. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date i.e. Tuesday, August 01, 2023, see “*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*” on page 135.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to email address of the Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email at least three days before the Issue Opening Date. In case of non-resident Eligible Equity

Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email-to-email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdiction.

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders by other means if feasible in the current Covid-19 situation. However, our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Issue Materials and the Application Form. However, the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, Application Form and other applicable Issue materials will be made available on the websites of the Company, registrar to the issue and the stock exchanges. Further, best efforts will be made to reach out the Eligible Equity Shareholders who have not registered their e-mail id with our Company including but not limited to sending SMS or audio-visual advertisement on television or digital advertisement, etc.

Please note that neither our Company nor the Registrar shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email 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 Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (www.kfintech.com) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (www.perfectinfra.com/).

The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors 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 Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity 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 Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected, except in case of Eligible Equity Shareholders who hold Equity Shares in physical form.

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see “Grounds for Technical Rejection” on page 135 of this Letter of Offer. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note 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 *“Application on Plain Paper under ASBA process”* on page 135 of this Letter of Offer.

Applications by Overseas Corporate Bodies

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies (“OCBs”), have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003.

Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renouncee shall not be able to renounce the same (whether for consideration or otherwise), in favour of OCB(s). The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003, that OCBs which are incorporated and are not and were not at any time subject to any adverse notice from the RBI, are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000, under the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Eligible Equity Shareholders renouncing their rights in favour of such OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the Application Form.

Investment / 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 investor group (which means multiple entities registered as foreign portfolio investors 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 investor 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 investor 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 investor 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:

- a. such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- b. 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.

Investment by Systemically Important Non-Banking Financial Companies (NBFC – SI)

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 – IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Investment 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 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.

Applications by mutual funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with the Board and that such applications shall not be treated as multiple applications. The application made by an asset management company or by custodian of a mutual fund shall clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by non-resident Indians (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 incorporated 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 Investors”), 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 Investors will also require prior approval of the Government of India and each Investor should

seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Payment by stock invest

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.

Last Date for Application

The last date for submission of the duly filled in Application Form is the Issue Closing Date i.e., Friday, August 18, 2023 . 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 provisions of the Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date i.e. **Monday, August 14, 2023.**

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 the 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 provided under the section, **“Basis of Allotment”** on page 135 of this Letter of Offer.

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.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period (before Issue Closing) by approaching the SCSB where application is submitted. However, no Investor, whether applying through ASBA facility, 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.

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 Equity 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 4 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.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility

In case of Application through the ASBA facility, the Investor 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 Investor'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 Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in the 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 subject to necessary confirmation from the regulatory authority 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.

For Resident Investors

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

For Non-Resident Investors

As regards Applications by Non-Resident Investors, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar or our Company.

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case, who make a request in this regard. Non-Resident Investors shall send their Right Entitlement credit request with ID proof to the Registrar to the Issue at Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana India - 500 032

- Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
- Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.
- Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investor has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form

PLEASE NOTE THAT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE I.E. AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE

TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

For details of credit of the Rights Equity Shares to such resident Eligible Equity Shareholders, see *“Disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner”* on page 135.

Basis of Allotment

Subject to the provisions contained in the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights 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 Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights 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 Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights 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 Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights 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 Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights 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, 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 Designated Branches or Controlling branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

- The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;
- The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank(s) to refund such Applicants.

Allotment Advices/Refund Orders/Unblocking of ASBA Accounts

Our Company will send/ dispatch Allotment advice, refund instructions/intimations (including in respect of Applications made through the optional facility) or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 4 days from the Allotment. In case of failure to do so, our Company and “our Directors” who are officers in default shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 days’ period.

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 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.

In case of those investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, and the Allotment advice regarding their credit of the Rights Equity Shares shall be sent at the address recorded with the Depository. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 4 days of the Issue Closing Date i.e. **Thursday, August 24, 2023**.

The letter of allotment or refund order would be sent by registered post or speed post to the sole/ first Investor’s address provided by the Eligible Equity Shareholders to our Company. Such refund orders would be payable at par at all places where the Applications were originally accepted. The same would be marked ‘Account Payee only’ and would be drawn in favor of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

Separate ISIN for Rights Equity Shares

In addition to the present ISIN for the existing Equity Shares, our Company would obtain a separate ISIN for the Rights Equity Shares for each Call, until fully paid-up. The Rights Equity Shares offered under this Issue will be traded under a separate ISIN after each Call for the period as may be applicable under the rules and regulations prior to the record date for the final Call Notice. The ISIN representing the Rights Equity Shares will be terminated after the Call Record Date for the final Call. On payment of the final Call Money 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.

Payment of Refund

Mode of making refunds

In case of Applicants not eligible to make an application through ASBA process, the payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes:

1. Unblocking amounts blocked using ASBA facility.
2. **National Automated Clearing House (“NACH”)** – NACH is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centers specified by the RBI, where such facility has been made available. This would be subject to availability

of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centers where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the Depositories), except where the Applicant is otherwise disclosed as eligible to get refunds through NEFT, Direct Credit or RTGS.

3. **National Electronic Fund Transfer (“NEFT”)** – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (“IFSC Code”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine-digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, such MICR number and the bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
4. **Direct Credit** - Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for such refund would be borne by our Company.
5. **RTGS** – If the refund amount exceeds ₹ 200,000 Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event such IFSC Code is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for such refund would be borne by our Company. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.
6. For all other Investors, the refund orders will be dispatched through speed post or registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
7. Credit of refunds to Investors in any other electronic manner, permissible under the banking laws, which are in force, and is permitted by SEBI from time to time.

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.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor’s bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders or refund warrants which can then be deposited only in the account specified. Our Company will, in no way, be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice or Demat Credit

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.

Receipt of the Equity Shares in Dematerialized Form

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 INVESTOR 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.

Investors shall be Allotted the Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement with NSDL and an agreement with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALISED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic 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 Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors 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 Investors 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 Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
- If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
- The Rights 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 email 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 Rights Equity Shares to the Applicant's depository account.
- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
- Non-transferable allotment advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.
- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares in this Issue must check the procedure for application by and credit of Rights Equity Shares to such Eligible Equity Shareholders in ***"Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form"*** and ***"Disposal of Rights Equity Share for non- receipt of demat account details in a timely manner"*** on page 135.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- i. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- ii. 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*
- iii. 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 ₹ 10 Lakhs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten (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 (3) times of such amount. Where such fraud (i) involves an amount which is less than ₹ 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 imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 50 Lakhs or with both.

Minimum subscription

As the object of the Issue does not involve financing of capital expenditure, and as our Promoters and Promoter Group, through their letter dated May 17, 2023 has confirmed their intention to subscribe to the full extent of their aggregate Rights Entitlements in the Issue and not to renounce their Rights Entitlements except to the extent of renunciation within the Promoters and Promoter Group. Accordingly, the minimum subscription criteria mentioned under the SEBI ICDR Regulations will not be applicable to the Issue.

However, the Promoters and members of Promoter group have given their intention to subscribe to additional Rights Equity Shares, over and above their Rights Entitlements (including the unsubscribed portion in the Issue, if any) jointly or severally, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations in order to achieve the minimum subscription of 90% of the Issue in accordance with Regulation 86 of the SEBI ICDR Regulations.

Utilization of Issue Proceeds

Our Board of Directors members declares that:

- A. All monies received out of issue of shares or specified securities to the public shall be transferred to a separate bank account.
- B. Details of all monies utilised out of the issue referred to in clause (A) 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 had been utilised;
- C. Details of all unutilised monies out of this issue referred to in clause (A) shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised 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.

Undertaking

Our Company undertakes the following:

- i. The complaints received in respect of this 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/unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- iv. that no further issue of securities shall be made till the securities offered through the offer document are listed or till the application monies are refunded on account of non-listing, under subscription, etc., other than as disclosed in accordance with Regulation 56;
- v. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 4 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.
- vi. In case of refund/unblocking of the application money/amount for unsuccessful applicants or part of the application money / amount in case of proportionate allotment, a suitable communication shall be sent to the applicants.
- vii. Adequate arrangements shall be made to collect all ASBA Applications.
- 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.

Investor Grievances, Communication & Important Links

1. Please read the 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 the Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected.
2. All enquiries in connection with the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number 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 "Perfect Infraengineers Limited – Rights Issue" on the envelope and postmarked in India or in the email) to the Registrar at the following address:

Kfin Technologies Limited

Address: Selenium Tower-B, Plot 31&32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana, India.

Tel. No.: +91 40 6716 2222

Email: pil.rights@kfintech.com

Website: www.kfintech.com

Contact Person: M.Murali Krishna

SEBI Registration No.: INR000000221

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 (www.kfintech.com). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +914067162222.

The Investors can visit www.perfectinfra.com links or E-mail on cs@perfectinfra.com for the below-mentioned purposes:

- a. Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors;
- b. Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company;
- c. Updation of demat account details by Eligible Equity Shareholders holding shares in physical form;
- d. 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 sectoral 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 an 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 is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the 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 STATUTORY INFORMATION

Please note that the Rights Equity Shares applied for under this Issue will be allotted only in dematerialized form and will be credited to (a) the same depository account / corresponding PAN in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least 2 working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date. For details, see ***“Terms of the Issue”*** on page 135.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material, have been entered or are to be entered into by our Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the registered office between 10 a.m. and 5 p.m. on all working days from the date of the Letter of Offer until the Issue Closing Date and Additionally, any person intending to inspect the abovementioned contracts and documents electronically, may do so, by writing an email to cs@perfectinfra.com.

A) Material contracts for the Issue

1. Registrar Agreement dated June 1, 2023 between our Company and Registrar to the Issue.
2. Bankers to the Issue Agreement dated August 04, 2023 amongst our Company, Banker(s) to the Issue and the Registrar to the Issue.

B) Material documents for the Issue

1. Certificate of Incorporations, the Memorandum of Association and Articles of Association of our Company, as amended.
2. Resolutions of the Board of Directors dated March 14, 2023 in relation to the Issue and other related matters.
3. Resolution of the rights issue committee meeting dated June 23, 2023 approving and adopting the Draft Letter of Offer.
4. Resolution passed by our rights issue committee dated July 26, 2023 finalizing the terms of the Issue including Record Date and the Rights Entitlement ratio.
5. The Restated Financial Statements for period ended March 31, 2023, March 31, 2022 and March 31, 2021.
6. Consent of the Statutory Auditors dated May 13, 2023 to include their name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations and referred to as an “expert” as defined under Section 2(38) of the Companies Act to the extent and in their capacity as the Statutory Auditor.
7. Consent of the Mr. Shripad V. Kale Engineers, Chartered Engineer dated May 30, 2023, to include their name in this Letter of Offer as ‘Expert’ as defined under Section 2(38) of the Companies Act, 2013, in respect of the certificates issued by them in their capacity as an independent chartered engineer.
8. Consents of our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Statutory Auditor, Chartered Engineer, Registrar to the Issue, Legal Advisor, Bankers to our Company, and Banker to the Issue to include their names in this Letter of Offer and to act in their respective capacities.
9. The Report dated June 3, 2023 from the Statutory Auditors of our Company, confirming the Statement of Special Tax Benefits available to our Company and its Shareholders as disclosed in this Letter of Offer.
10. Annual Reports of our Company for Fiscal March 31, 2022, March 31, 2021, March 31, 2020, March 31, 2019, March 31, 2018.
11. Tripartite agreement dated 28 May, 2015 amongst our Company, Central Depository Services (India) Limited and Registrar to the Issue
12. Tripartite agreement dated 04 June, 2015 amongst our Company, National Securities Depository Limited and Registrar to the Issue.
13. In-principle listing approvals dated July 07, 2023 issued by NSE respectively under Regulation 28(1) of the SEBI Listing Regulations.

Any of the contracts or documents mentioned in this 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 reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, 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 Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be.

We further certify that all disclosures made in this Letter of Offer are true and correct.

Nimesh Mehta Managing Director DIN: 00247264	Sd/-
Manisha Mehta Executive Director & CFO DIN: 00247274	Sd/-
Gurinderkaur Multani Non-Executive Independent Director DIN: 03036594	Sd/-
Rakesh Chauhan Non-Executive Independent Director DIN: 08974505	Sd/-
Raj Singh Non-Executive Independent Director DIN: 09437623	Sd/-

Signed by the Chief Financial Officer

Sd/-

Manisha Mehta

(Chief Financial Officer)

Signed by the Company Secretary of our Company

Sd/-

Maryam Bahnan

(Company Secretary & Compliance Officer)

Place: Mumbai

Date: August 04, 2023